



Daily Report

Soviet Union

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Bessmertnykh on Progress Toward Arms Accord

*LD0406093691 Moscow All-Union Radio Mayak
Network in Russian 0530 GMT 4 Jun 91*

[Excerpts] Today in Moscow, Soviet and American experts will begin discussing the technical problems related to the accord on limitations on conventional arms in Europe. Our diplomatic correspondent, Viktor Levin, will explain why the experts are meeting:

[Begin recording] [Levin] It is a question of the final, technical formulation of the accords reached during the talks between USSR Foreign Minister Bessmertnykh and U.S. Secretary of State Baker in Lisbon. [passage omitted]

As Bessmertnykh returned from Lisbon, on the aircraft he spoke to a group of Soviet journalists who were accompanying him. He spoke about the trip as a whole. Naturally, a considerable part of the conversation was devoted to the accord on the problems of conventional weapons. Aleksandr Aleksandrovich said:

[Bessmertnykh] All the problems occurred owing to the fact that we did not have the same interpretation in regard to Article Three of the agreement on land-based armaments in the area covered by the treaty. We could have taken two paths. The first path was a juridical and law-based one. The second path was that of making some specific decisions there, on the spot. We spent a long time weighing both variants. The legal discussion would have had us deeply bogged down without prospects of getting out of the situation and out of the deadlock. Therefore, we decided to find options for a way out of

the state of affairs which would satisfy the requirements of the agreement, would ensure our interests, and would be sufficiently trustworthy both for the West not to be concerned about us, and for us to have no worries regarding the West. That is why, jointly with our Defense Ministry and the General Staff, we studied all kinds of variants.

Recently, as you remember, General Moiseyev, chief of our General Staff, made a trip to Washington. He set off with the position that had already been considered and that contained elements linked to finding specific formulas for the distribution of armaments which will eliminate this problem. He did a lot to get rid of an obstacle that threatened to block the way. It was necessary to find certain additional solutions that will remove it completely. It was via the mathematics of the movement of weapons—we are talking here about tanks, armored vehicles, and artillery—that we managed to set up a system that allows preservation in full of all levels of the agreement—the general level, (?quantitative) levels, and the level of regular combat units. Such is the solution. Of course, several technical problems have emerged linked to ensuring that the measures that are being taken are convincing. I think that next week we will be able to resolve all this in a couple of days.

[Levin] I must remind you that this conversation took place on Saturday, so it should be noted that next week means this week. A path has opened toward completion of the treaty on strategic offensive weapons and for the next meeting between the U.S. and USSR presidents. [end recording]

Gorbachev Said To Be Invited to G-7 Summit*LD0406094291 Moscow TASS in English 0920 GMT
4 Jun 91*

[By TASS correspondent Aleksandr Kopnov]

[Text] Tokyo June 4 TASS—Soviet President Mikhail Gorbachev will be invited to a meeting of heads of state and government of seven industrialised nations in London, the Japanese KYODO TSUSHIN NEWS AGENCY reports, referring to British Government sources.

Gorbachev will be offered the status of an observer and he will participate in debates on some issues on the agenda, it says.

An official decision on this issue is expected to be made early next week exclusively for the London summit and will not grant the Soviet Union the right to attend annual G-7 meetings in the future, the news agency says.

The Soviet Union's new plan of economic reforms and its flexibility in a dispute over the treaty reducing conventional weapons in Europe have cleared the remaining hurdles to inviting Gorbachev to the G-7 gathering in London, KYODO reports.

At present, only Japan, which insists on the return of the "northern territories," objects to the Soviet president's participation in the meeting.

Japanese Foreign Minister Taro Nakayama told a conference of the Organisation of Economic Cooperation in Paris on Sunday that Japan will press other participants in the London meeting for using the "northern territories" issue as a condition for giving Western economic assistance to the Soviet Union.

TASS Reports Foreign Ministry Press Briefing**Churkin on Gorbachev's Nordic Visit***LD0306165491 Moscow TASS in English 1612 GMT
3 Jun 91*

[By TASS diplomatic correspondents Aleksandr Kanishchev and Igor Peskov]

[Text] Moscow June 3 TASS—President Mikhail Gorbachev's visit to Oslo on June 5 and to Stockholm on June 6 will be of purely working nature. Soviet Foreign Ministry spokesman Vitaliy Churkin told a briefing here today.

These visits will be made to discharge the duty of a Nobel Prize winner who is obliged to deliver a Nobel lecture in Oslo within six months of the presentation of the Nobel Peace Prize, Churkin said.

The brief visit to Stockholm, which will continue for only several hours, is also associated with Nobel, for the

tradition has it that after visiting Oslo Nobel prize winners go to the Swedish capital where Nobel prizes are presented.

At the same time the Foreign Ministry spokesman told journalists that President Gorbachev, availing himself of the opportunity, will hold working meetings with Prime Minister Gro Harlem Brundtland in Oslo and Prime Minister Ingvar Carlsson in Stockholm.

"Relations with Norway and Sweden develop on the whole quite well, one can say," Churkin said. "These are our neighbours. Cooperation with them has been established and develops in many fields. But there are, of course, problems and unresolved issues: on the delimitation of the continental shelf and Barents Sea areas with Norway. It can be supposed that these issues can be touched upon during the forthcoming meetings," Churkin said.

Within the framework of Gorbachev's visits, Soviet Foreign Minister Aleksandr Bessmertnykh will also have working meetings with his counterparts—Thorvald Stoltenberg in Oslo and Sten Andersson in Stockholm," the spokesman said.

"Our approaches to international affairs are close in many respects, and there is a good basis for dialogue and cooperation," Churkin said.

On Soviet Support for Ethiopia*LD0306170191 Moscow TASS in English 1623 GMT
3 Jun 91*

[By TASS diplomatic correspondents Aleksandr Kanishchev and Igor Peskov]

[Text] Moscow June 3 TASS—Concerted efforts of the international community are required to promote the earliest normalisation of the situation in Ethiopia. Proceeding from this, the Soviet Union maintains and intends to continue to maintain a constructive dialogue with the United States, Italy and other countries concerned over the issue, Soviet Foreign Ministry spokesman Vitaliy Churkin told a briefing here today.

The Soviet Union remains "a reliable friend of the people of Ethiopia" and comes out in favour of peaceful, democratic reorganisation of the country in line with requirements of its peoples, under conditions of the freedom of choice and respect for human rights, the spokesman said.

In order to promote this process, the Soviet Union is ready to "maintain and develop contacts and constructive dialogue with all politically active and influential forces in Ethiopia over any issues", Churkin said.

"Our country is open to a continuation of cooperation with Ethiopia in those fields and forms that will meet the interests of the two countries, on the basis of equality and mutual benefit," he said.

Speaking of Soviet citizens who are in Ethiopia, the Soviet Foreign Ministry spokesman said that their evacuation had begun at the end of May. Members of the families of Soviet specialists returned to Moscow from Addis Ababa on May 26, and another 330 Soviet citizens returned home via Aden on June 2.

As of today, Churkin said, 66 staff members of the embassy and trade mission and 52 Soviet medical workers working in the Ethiopian capital under the flag of the Soviet Red Cross hospital are in Ethiopia.

These days the hospital turned out to be virtually the only effectively functioning medical institution in the city, and Soviet physicians are tending the sick and wounded, the spokesman said.

A group of Soviet geologists that remained in Ethiopia to mothball two gas wells have accomplished their task. Practical matters connected with their return to the Soviet Union are being worked out, he added.

The situation in Addis Ababa is now calm enough. The new authorities keep order in the city, Churkin said.

On START, Nelson Mandela Visit

LD0306182891 Moscow TASS in English 1730 GMT
3 Jun 91

[By TASS diplomatic correspondents Aleksandr Kanishchev and Igor Peskov]

[Excerpts] Moscow June 3 TASS—President Mikhail Gorbachev's visit to Oslo on June 5 and to Stockholm on June 6 will be of purely working nature, Soviet Foreign Ministry spokesman Vitaliy Churkin told a briefing here today. [passage omitted]

Speaking about last week's visits to Rome and Lisbon by Bessmertnykh, Churkin touched upon the results of his talks with U.S. Secretary of State James Baker.

Among the chief results of the talks Churkin singled out the fact that the two sides succeeded in getting agreement in principle on issues that remained unresolved following the signing of the conventional forces in Europe treaty.

"One can now say that these issues have been resolved in principle," the spokesman said. "Minor technical details are yet to be discussed. With this end in view, U.S. experts led by James Woolsey, U.S. chief delegate at the Vienna talks, arrive in Moscow today."

Another important accord reached between Bessmertnykh and Baker in Lisbon is the intention of the two sides to focus now on elaborating and concluding a treaty on reducing strategic offensive arms (START). It remains the goal of the two sides to sign the START treaty at the forthcoming Soviet-U.S. summit, Churkin said.

Evaluating, at journalists' request, progress connected with the convocation of a Middle East peace conference,

Churkin said: "Discussions shows that things are moving, positions are not inflexible and headway is possible—headway that may result in a breakthrough and the convocation of a Middle East peace conference".

The Soviet side on the whole feels optimistic about the possibilities to resolve this problem, Churkin said. But, he added, the Soviet side is not sure that success will be necessarily achieved. Problems are so complex that we can give no guarantees on this score either to ourselves or anyone else". [passage omitted]

Asked about the possibility of a visit to the Soviet Union by African National Congress (ANC) leader Nelson Mandela, Churkin said that the question remains topical. There is agreement in principle between the Soviet side and the ANC about a visit to the USSR by the ANC vice-president, Churkin said.

A mutually acceptable time-frame for the visit is now being examined. This is not an easy matter in view of the busy schedule of the Soviet leadership and of Nelson Mandela himself, he added.

"We attach much importance to the ANC leader's visit to the USSR, particularly now in the period of complication in the negotiating process between the government of De Klerk and the ANC. We express hope that negotiators will find "ways to restore the vitally essential dialogue".

[Moscow Radio Moscow World Service in English at 1630 GMT on 3 June reports the following: "As ANC representatives have reported in Johannesburg, the organization's leader, Nelson Mandela, is to pay an official visit to the Soviet Union from 9 through 12 June. He is scheduled to meet President Mikhail Gorbachev.]

Bessmertnykh Interviewed on Arms Treaties, G-7

OW0406023391 Moscow INTERFAX in English
1530 GMT 3 Jun 91

["Diplomatic Panorama"]

[Text] The Soviet foreign minister, Mr. Aleksandr Bessmertnykh, speaking in an interview with IF [INTERFAX] Petr Vasilyev.

On the thorny issue of the CFE agreement, the Soviet minister said he and the U.S. state secretary, Mr. Baker, meeting after the ceremony of signing an Angolan peace agreement in Lisbon, managed to resolve the remaining differences. He spoke of agreement being reached after months of talks to remove a huge stumbling block on the way of relations between the Soviet Union and the United States as well as Europe. A team of U.S. experts, he said, is due to arrive to Moscow later today to speed up work over the CFE agreement.

Mr. Bessmertnykh also said he and Mr. Baker had agreed to focus on the START treaty now that differences over conventional weapons were resolved. START-related issues, he said, will be high on the agenda since early this

week. The minister said Soviet and U.S. arms negotiators in Geneva would be instructed accordingly and higher-ranking officials on both sides would be sent there to take charge of the talks on a daily basis.

Disclosing some of the details of how differences on conventional arms were resolved, Mr. Bessmertnykh said "the priority lay in the full observance of the Paris agreement".

He said the sides were at odds over the interpretation of Article 3 related to land based weapons covered by the agreement. Mr. Bessmertnykh said there were two options: One was a legal solution and the other—to adopt some on-spot decisions. "The first one", he said, "meant getting bogged down without a prospect of breaking the deadlock. That's why we opted for solutions which did not breach the agreements reached but secure the interests of both sides."

Mr. Bessmertnykh said several proposals had been gone through together with the Soviet Defense Ministry and chief of staff. He pointed to a recent trip to the United States by General Moiseyev who, he said, had managed to make a headway towards understanding. However, further steps were needed to remove the differences. "Consequently, said the minister, it was through the mathematics of arms movement (tanks, armoured vehicles, and artillery) that we managed to create a system which helps to preserve all levels of the Paris agreement." [quotation marks as received]

The remaining issues, mostly technical, said Mr. Bessmertnykh, relate to control and verification measures over the observance of the agreement, which, he said, can be resolved within two days, and already this week.

Asked if there were differences between the Foreign Ministry and the military on this issue, Mr. Bessmertnykh said "It is our common position worked out together with the military." "General Moiseyev wrote a letter to the U.S. chief arms negotiator Mr. Bartholomew which I handed over to Mr. Baker as we met in Lisbon." The letter contains a number of considerations on some technicalities.

Mr. Bessmertnykh said it was cold reckoning by the chief of the Soviet Defense Staff plus diplomacy which helped remove the stumbling block in the way of the CFE agreement.

On a START treaty, the minister spoke of a couple of issues, merely technical, remaining unresolved. He said these were so technical that not even all the military and politicians understand them. These include telemetry or how to count the number of warheads something that both sides are now deeply engrossed in. The minister recalled Mr. Baker telling him in Houston he did not understand what they were talking about. For his part, Mr. Bessmertnykh stressed that "diplomats are entirely dependent for military and technical expertise on this issue."

In his view, technicalities can be resolved at the verification stage while a political solution is needed now. Mr. Bessmertnykh also said he and Mr. Baker had agreed on a string of meetings during joint work over the START Treaty which, he reckons, will be "almost every week".

On President Gorbachev's possible involvement in a G-7 meeting in London, the minister said he gathered the impression after talks with some Western partners that "our idea of cooperation with G-7 countries is not understood well enough". "Some believe, he continued, the Soviet Union believes it must cooperate with the leading centers of economic might at this crucial stage of its economic reform and its movement to a market economy.

Mr. Bessmertnykh also said the Soviet side was keen to bring better understanding of the current processes at home. Mr. Gorbachev wants to attend a G-7 meeting to outline the goals and directions of the Soviet perestroika movement.

The Soviet minister stressed that without such understanding the West would continue to wander in the dark by giving suggestions or working out formulas which could suit Poland or Brazil but not at all applicable to the Soviet Union.

Besides, said the minister, the Soviet Union would like to offer the G-7 a package of exciting joint projects which could nudge cooperation in areas of interest very far indeed.

And finally, he said, the West must realise "how important it is for the Soviet system to be integrated within the world economy". He said, everyone was keen to see that happen but how this can be done remains to be solved. "I informed Mr. Baker about it, he said, and the state secretary promised to let Mr. Bush know about it".

The minister's own feelings and information from other Soviet officials, also those working in Washington, suggest that the G-7 leaders are preparing actively for the meeting which, said Mr. Bessmertnykh, would be "a success".

West Urged To Fold Iron Curtain on Exit Law

*PM0306141191 Moscow PRAVDA in Russian
27 May 91 Second Edition p 5*

[Editorial commentary: "Doors Should Be Open"]

[Text] We have somehow gotten used to both ourselves and our state changing with incomprehensible speed. In the kaleidoscope of events we sometimes fail to notice truly historic changes. Maybe we are allergic to the term "historic." We abuse it too often.

This cannot be said of the USSR law "On the Procedure by Which USSR Citizens Leave and Enter the USSR" adopted the other day by the USSR Supreme Soviet. The

grand-sounding title of the law corresponds to its content. And if it caused no sensation in this country, it was front-page news in the West. And understandably so.

How much copy has been written about the problem of entry to and exit from the country by Soviet citizens, how many promises have been made by our delegations at innumerable international forums, how many articles and books have been written about the "Iron Curtain"—there has been a plethora of them. Now this has come to an end. We are becoming a civilized rule-of-law state. Never before have we had such a law, either before 1917 or after. It creates the conditions for the implementation by all citizens of their natural right to leave the USSR and to return to the motherland. International "debts"—the commitments which our country made under the CSCE and Paris Charter declarations—have also been paid.

And yet for some reason one does not feel inclined to celebrate. Not only because Soviet people attracted by distant lands will nonetheless be forced to stand in demeaning lines at the Visas and Registration Department for another 18 months, to fill in innumerable documents, and so forth (after all, the law only comes into force on 1 January 1993)—all these, as we are accustomed to saying, are just "temporary difficulties."

The main thing is something else—the reaction of the West, which showed such impatience about our adoption of a law on the right to emigrate. All the major Western newspapers reacted to the new Soviet law. But, after praise of Soviet legislators, every article contained, to put it mildly, concern about the consequences of the law's implementation. And now, Western public opinion is being stirred up over the possibility of a "mass influx" of Soviet citizens who will allegedly have to be fed and provided for.

Fantastic figures are being mentioned—of the order of 5 to 8 million emigrants from the Soviet Union, most of whom are allegedly unskilled workers. What a nightmare! Hence the reaction from the authorities—they are setting pathetic quotas and putting other obstacles in the way of entry by Soviet people. In short, it is the same old "Iron Curtain." This time it is being raised across all of Europe and America by those who fought so ardently for freedom of movement. So we would like to say: Gentlemen, let us be civilized. Let us rise to the challenge of today, when we need actively to collaborate, pooling the knowledge, experience, and potential of different peoples for the sake of all mankind, rather than fencing ourselves off from each other.

On the other hand, this reaction from the West should cool the ardor of those in our country who are planning a life of luxury abroad and make them think twice, if not three times, about it.

One other point: Some people in the West are bidding farewell reluctantly and with difficulty to their favorite pretext for preventing the development of all-around links with the USSR. In the United States, for instance,

instead of immediately repealing the Jackson-Vanik amendment, which prohibited the granting of Most Favored Nation status to the USSR, officials are still "studying" the new law, waiting for it to be implemented, and so forth. Why this new red tape? Let us trust one another. After all, ultimately we are largely entrusting to you the fate of those of our citizens who decide to travel to your country. What can be greater than trust?

Let us recall once again that, apart from the right to leave and return to one's own country, every capable person should be entitled to leave for another country. Let the "Iron Curtain" be done away with once and for all.

Petrovskiy Views UN Disarmament Talks in Japan

LD3105100191 Moscow Central Television First Program Network in Russian 1800 GMT 30 May 91

[Report from Kyoto, Japan, by correspondent A. Koloshin—from the "Vremya" newscast—recorded]

[Excerpt] Over 100 representatives from 40 countries—ministers, parliamentarians, diplomats, and scientists—discussed one of the most pressing present-day problems: the problem of disarmament and restriction of military activity. [video shows conference hall, cutting to interview with V.F. Petrovskiy, USSR deputy foreign minister]

[Petrovskiy] There was a great response at the conference to the proposals made by our president he was in Japan and raised the issue of the creation in this region of a zone of openness, cooperation, and security. The point is, of course, that Asia should develop its own special forms of cooperation.

[Koloshin] A feature of the conference was a statement by the Japanese Government on specific measures to limit the world arms trade. [passage omitted]

Country Struggles To Maintain Arms Market Status

PM2405155391 Moscow IAN PRESS RELEASE in English 21 May 91

[Abridged Reprint of Article by Yuriy Ursov: "Guns and Bullets: To Sell or Not To Sell?" from Russkiy Kuryer in Russian No. 10]

[Text] I sometimes think that the armed conflicts which occurred between the Vietnam and Gulf wars were pre-programmed for testing new weapons and appraising potential markets for them. Indeed, every possible weapon—from ballistic missiles to ladies' pistols—can be obtained from a powerful financial and industrial group comprised of arms-manufacturing countries, regardless of their political systems. Experts say that profits from arms sales rival only those of trade in narcotics, uranium or cut diamonds. Small wonder that the states which sell guns keep their mouths tightly shut about sales volume and their clients.

What's more, there is tacit agreement to prevent any information even about one's rivals in this field from being made public. Several countries have long since monopolised and divided the global arms markets in accordance with their priorities. It is only possible to get an idea of the state of the weapons markets as a result of direct and indirect analysis of information which sometimes appears in the press, the state and expenditure part of national budgets and the scarce data leaked by commercial banks and other sources.

It should be stressed that in spite of the slogans prevailing in the world arena at any given moment, arms sales are always the most important means for the intervention of industrialized countries in the politics and economics of Third World countries. I was in Iraq two weeks before the Gulf War broke out. (It is common knowledge that half of the armaments which the Iraqi Army had at its disposal came from the Soviet Union—tanks, planes, missiles (modernized with the help of Federal Germany), rifles, etc.) At that time the global press wrote a lot about the need "to rebuff the Iraqi aggression" and "finally stop arming dictatorial regimes". At the same time, representatives of a famous American firm in Baghdad signed a letter of intent under which the American side was to sell Iraq several billion dollars' worth of weaponry after the war was over, thereby outpacing Soviet arms sellers.

There are also economic reasons why arms sales are so popular with all the arms-manufacturing countries, without exception. Aircraft carriers, missiles, ABM systems and aircraft, which cost a lot of money, labour, resources and energy, are practically useless from the point of view of economic development. They cannot be used instead of tractors or combine harvesters. But the cost of their manufacture can be made up quite lavishly by their sales, for payment is more often made in oil, diamonds, polymetals, and other rare raw materials, rather than money.

So, what changes can be expected to occur on the arms market after the Gulf conflict is settled? The Western press, which has been dealing with this problem a lot, arrives at the conclusion that the struggle for arms markets will be further aggravated in spite of all the calls for disarmament, because the geopolitical and economic interests which clash in this struggle are too large.

In a bid to reward the participants of the anti-Iraqi coalition in the Gulf War, the U.S. has already sold 46 F-16 fighters and 188 modernized Hawk missiles to Egypt and 50 F-15 fighters to Israel. There are plans to sell Saudi Arabia a thousand units of armoured hardware, including a new-generation M-1A2 tank, Patriot missiles, Apache helicopters, F-15 fighters and an AWACS aircraft. Although this deal has been postponed, it may be resumed any time soon.

The volume of planned arms sales in the Middle East, which is estimated at 18 billion dollars, is evidence of the huge diplomatic and financial influence of the arms

exporters. The Bush Administration promised new weapons to Egypt, Turkey, Israel and other countries which backed up the U.S. in the war by forming an anti-Iraqi coalition and trying to take Israel beyond the framework of the conflict. Defense Secretary Cheney said that only vast deliveries of weapons to "American friends" in the Middle East could replace the numerous US troops after they left the region. Other major arms suppliers, including Britain, France and the Soviet Union, do not give any signal either that they are going to curtail arms sales in the post-war Middle East. British arms-manufacturing companies, for instance, hope to sell at least 400 Challenger tanks to Saudi Arabia and a mine-sweeper to the United Arab Emirates. Arms trade becomes an increasingly important means of revenue because other export possibilities are either insufficient or sharply shrinking. Czechoslovakia, for instance, is not a newcomer on the arms market. According to recent reports, Prague agreed to sell Iran 300 Soviet-made T-72 tanks in spite of assurances by its Foreign Minister Jiri Dienstbier to discontinue traditional arms sales (which gave the country half of its hard currency receipts). Yugoslavia has already sold between 300 and 400 such tanks to Kuwait and Syria. The Soviet Union also sells weapons in the drive to get hard currency.

Experts contend that demand for traditional Soviet weapons, which were used in the Gulf War, could fall. Besides, its Third World clients already owe the USSR a lot of money and will hardly be able to pay more than two per cent of the debt. The USSR's own foreign debt has sharply increased due to the reduction of oil production (oil was the main source of hard currency receipts). The share of mechanical engineering—mostly weapons and spare parts—is appraised at 13 to 17 per cent of all Soviet exports. Furthermore, casting aside all talk about so-called common human values (the West, as we see, does not bother with them when it has a chance to make money by selling guns), it should be admitted that the Soviet defense industry, into which huge funds were invested for a very long time, could help extricate the Soviet economy from the crisis by manufacturing competitive products. The ruble's rate of exchange in dollars is different in arms trade than on the black market. Presumably, the USSR spends annually between four and five billion rubles on the manufacture of guns for sale. It nets, according to American sources, 11,650 million dollars from arms sales. Even if we assume that 1 dollar is worth 10 rubles (the rate prompted by the real correlation between demand and supply on the Soviet domestic market), the arms sales hard currency receipts will be sufficient to cover all defense spending and buy 20 billion rubles' worth of consumer goods (in domestic prices). There is much to be considered before converting a plant which manufactures anti-aircraft missiles to the production of juicers. It might be more profitable to sell one missile and buy 100 thousand juicers and other Western commodities, which are certainly of better quality than ours. We build better tanks, while they make better VCRs. So why should we invest billions into conversion, which would be an additional burden on our

people? It could happen that we would forget how to manufacture good guns, and wouldn't learn to make good VCRs either.

At present, the Soviet Union is struggling to maintain its position on the arms market. Hard currency owners are now offered state-of-the-art Soviet weapons. At an international show in the Philippines it displayed its MIG-29 fighter, which is superior to many other planes of its class. Under the conversion plan, three out of five tank-building plants are to be shut down. One of the remaining plants will manufacture tanks for export only. China, which is our closest rival in arms trade, uses a very pragmatic approach to arms sales. During the Iran-Iraq war China sold arms to both warring parties.

As for the United States, arms sales can, according to the magazine U.S. NEWS & WORLD report, be a way of supporting the economy on the eve of "approaching meagre times". The Pentagon suggests that the U.S. should sell upwards of 20 fighters a year until the manufacture of newer tactical fighters begins and other large-scale programmes are carried out. The Bush Administration proposes allocating one billion dollars from the federal budget to guarantee funding arms sales to foreign countries.

A comprehensive analysis conducted by the U.S. National Academy of Sciences shows that there are diverse ways of selling arms, while the mechanisms of

control over such sales are weak and vulnerable. Besides, there are no international legal norms to restrict the sales of arms to developing countries. Existing agreements on control over proliferation of nuclear, chemical and biological weapons can only slow down the process of their spread in the Third World. It is worth mentioning, for instance, Iraq, which has acquired the ability to manufacture nuclear weapons. While the nuclear non-proliferation agreements are more or less fulfilled, there is no effective mechanism for compliance with the documents covering other types of mass destruction weapons.

In the meantime, rivalry for arms markets is even fiercer among NATO partners. Experts predict that demand for conventional weapons, and in particular infantry-support helicopters and ABM systems, will increase to such a degree that even the weak opposition by advocates of an agreement on control over arms sales to instable regions will be suppressed.

The problem of arms sales is of global importance. A semi-starved Third World is emerging on the global scene. Some of the leaders do not conceal their intention to establish a new world order. With whom will the USSR side—the U.S. and other civilized countries? Or will it head a movement of south against North on a world-wide scale?

Sooner or later the Soviet Union will have to decide.

United States & Canada**Statement on U.S.-Soviet Collaboration in Africa***PM0406085191 Moscow IZVESTIYA in Russian
3 Jun 91 Union Edition p 4*

[TASS report: "Joint Statement on Soviet-U.S. Collaboration in Africa"]

[Text] During the meeting between Soviet Foreign Minister A.A. Bessmertnykh and U.S. Secretary of State J. Baker the sides agreed on the following joint statement on Soviet-U.S. collaboration in settling conflicts in Africa:

Here, in Lisbon, we have just witnessed the settlement of the Angola conflict, a settlement reached through the mediation of Portugal.

The acquisition of independence by Namibia last year, the establishment of peace in Angola, and the galvanization of peacekeeping efforts in other parts of the continent have demonstrated that talks are replacing armed struggle as the main political trend in Africa. Africa's future will largely depend on how rapidly wars are ended and new political structures developed to settle and prevent conflicts.

The Soviet Union and the United States express satisfaction in connection with their growing collaboration aimed at providing aid to the African countries in restoring peace in various parts of the continent. The USSR and the United States are prepared, together with the international community and particularly the African countries and the OAU, to make efforts with a view to settling armed conflicts by political methods. In this context an important role in achieving and maintaining peace is played by the United Nations—as it has already shown in Africa. Our countries intend to play a constructive role in ending the conflicts in Africa and will cooperate in the sphere of promoting a political resolution of disputes, strengthening democracy and economic development, combating famine and disease, and improving the environment.

Bush Comments on Primakov, Shcherbakov Meeting*PM0306210091 Moscow PRAVDA in Russian
1 Jun 91 Second Edition p 3*

[From TASS report: "Seeking a Solution"]

[Text] Washington, 31 May—U.S. President George Bush today received in the White House USSR Security Council member Yevgeniy Primakov and USSR First Deputy Prime Minister Vladimir Shcherbakov, who are in Washington on the instructions of the USSR president.

The U.S. President, answering reporters' questions after the meeting, stated that "a meeting of this kind is extraordinarily helpful for international relations and for improved Soviet-U.S. relations."

"This meeting followed a visit by our experts to the Soviet Union, where they were cordially received by President Gorbachev," he went on. "In the next few days I will have the opportunity to study our experts' opinion in detail. However, they came home with favorable impressions, and I think that is good. We want to try to be useful where we can."

The President stressed that during the conversation "nearly all the topics that have been constantly on the front pages in the last few days were discussed." George Bush said that after the meeting he is "more positively inclined" toward economic assistance to the USSR by the United States and other Western countries.

"I liked what I heard. We still have to take certain decisions, and I would not want to preempt them. I would not say that I have made my mind up, or that the Administration has yet established a firm position on a wide spectrum of affairs in our relations with the Soviets. Everything Primakov said made an impression on me. I told him what I say to the American people—we want to help, and we will study in detail the information they presented... I had the impression that they are undertaking what for them is—and what the world will see as—radical economic reform. When you've had a totally controlled economy, to try to move to a market economy is not easy. You need help along the way."

Answering questions on whether the administration is prepared to support an invitation to Soviet President Mikhail Gorbachev to participate in the London meeting of the seven leading industrial countries, give the USSR additional credits to the tune of \$1.5 billion to buy agricultural produce, and grant the USSR most-favored-nation status in trade, George Bush stated: "This question was naturally discussed. And, as I said, I have to do a little homework before I can comment on this or be specific on this question, the question of grain credits or most-favored-nation status. But I am positively inclined on a wide spectrum of concrete questions, but all the same that does not mean that there are not great problems—there are great problems."

Asked about the possibility of the next Soviet-U.S. summit meeting being held in July of this year, the U.S. President replied that this subject and the problem of arms control were not discussed at the present meeting. These questions are now being considered in Lisbon by Secretary of State Baker and Soviet Foreign Minister Bessmertnykh, Bush added. "Last week President Gorbachev told me on the telephone that Bessmertnykh will come to Lisbon with firm proposals and a firm desire to settle differences on the question of conventional armed forces and definitely to reduce the differences that remain in the strategic offensive weapons sphere," he added.

Yevgeniy Primakov, for his part, commenting on the talk, which lasted some 45 minutes, told reporters that

during the talk "we once again saw the goodwill toward the USSR that has become established during our presidents' summit meetings."

For the Soviet representatives, this meeting in the White House marked the end of a series of intensive contacts and consultations with high-ranking figures in the administration and the business world in Washington. In particular, they had meetings with Secretary of State Baker, Treasury Secretary Brady, Boskin, chairman of the Council of Economic Advisers (to the President), and the leadership of Congress, the World Bank, and the IMF.

Northeast Asia

Far East Commander Announces Cuts in Forces

PM0306183091 Moscow KRASNAYA ZVEZDA
in Russian 1 Jun 91 First Edition p 2

[Report by TASS correspondent D. Bandura: "Commander's Statement"]

[Text] Tokyo, 31 May—Soviet troops on the four islands in the southern section of the Kuril chain will be reduced by 30 percent by the end of the year. This was announced, in an interview published in the newspaper YOMIURI, by Colonel General V. Novozhilov, commander of the Far East Military District, who is here at present.

V. Novozhilov noted that the formation stationed on the islands, together with the radar and air defense subunits assigned to it, does not have the potential for airborne or seaborne assault operations, and fulfills exclusively defensive tasks. Nor are the fighters of the aviation regiment deployed there designed for strikes against targets on the ground. The question of withdrawing or reducing the aviation regiment has not yet been examined.

The commander of the Far East Military District came out in favor of developing Soviet-Japanese contacts in the military sphere, including exchanges of delegations of representatives of Japan's self-defense forces and the USSR Armed Forces, associating this with the need to reduce tension in the region of the Sea of Japan.

Southeast Asia & Pacific

Khmer Rouge Reject Proposed SNC Leadership

BK0406071491 Moscow Radio Moscow in Cambodian
1100 GMT 3 Jun 91

[Text] The Khmer Rouge rejected the proposal presented by Cambodian Prime Minister Hun Sen and Samdech Norodom Sihanouk—a leader of the opposition—on the composition of the leadership of the Supreme National Council [SNC].

At the Jakarta talks, Prime Minister Hun Sen and Samdech Norodom Sihanouk agreed to the expansion of the SNC membership and the SNC leadership—the samdech to fill the role as the council's chairman and the Cambodian prime minister as the council's vice chairman.

The creation of the SNC is part of the blueprint of the United Nations, which has planned to organize free elections in Cambodia.

Analysis of Cambodian Talks

LD0306191691 Moscow TASS in English 1849 GMT
3 Jun 91

[By news analyst Sergey Afonin]

[Text] Moscow June 3 TASS— The attention of anyone, keen on the process of Cambodian settlement, is riveted these days to Jakarta, the site of a meeting between Cambodian sides, representatives of Indonesia and France, who are co-chairmen of the international Paris conference on Cambodia, and the U.N. secretary-general.

The aim of the meeting is to enable the Cambodian sides to compare their positions, to try to bring them closer together and overcome existing differences. The point at issue is the specific attitude to individual provisions of the draft agreement on comprehensive political settlement, elaborated by five permanent members of the U.N. Security Council and conference co-chairmen.

Everybody realises today that, for various reasons, this framework document needs to be further perfected. Indonesian Foreign Minister Ali Alatas told the opening of the Jakarta forum that the conference co-chairmen saw it possible to make constructive changes" into the draft agreement. This is feared by the "red Khmers" most of all, as the current draft offers certain possibilities for them. Therefore they demand that Phnom Penh unconditionally accept this document.

The state of Cambodia holds a clear-cut position. Phnom Penh bases itself on the need to protect the fundamental rights of Cambodian people, primarily its right to life. Therefore one of the main, key problems for the leadership of the state of Cambodia is to block the restoration of the Pol Pot regime which exterminated several million people during its rule.

Furthermore, there are many other important issues, such as the activity of the Higher National Council of Cambodia, relationship between the Council and the United Nations, military aspects of settlement, etc. Some of them were reportedly discussed at Sunday's meeting between Hun Sen and opposition leader Prince Norodom Sihanouk. Their conversation was conclusive. An understanding was reached that if Sihanouk becomes chairman of the Council, Hun Sen will be appointed his only deputy, and the number of Council members will

increase from 12 to 14 reflecting the formula "7 plus 7" in order to preserve the sides' parity.

At the same time both leaders favoured extending the current truce in Cambodia, declared on May 1, until the peace agreement is concluded.

These agreements testify to the possibility of compromises between conflicting sides and can serve as harbingers of further positive shifts in the Cambodian settlement. According to Sihanouk, they "lay down a good foundation for the future".

Today has reaffirmed that the process of the Cambodian settlement remains complex and contradictory. The "red Khmers" are known to have rejected the above agreements between Hun Sen and Sihanouk. Their leader Khieu Samphan was quoted as saying that if "the talks fail" in Jakarta, Pol Pot men will resume combat operations.

One would like to believe that this kind of statements and actions by the "red Khmers" is bound to make them even more isolated in the international community.

East Europe

Spokesman Explains Culture Minister's Remarks

LD0306215191 Warsaw Radio Warszawa Network in Polish 2100 GMT 3 Jun 91

[Text] Soviet Culture Minister Nikolay Gubenko did not wish to insult anyone when he made his speech at the CSCE symposium in Krakow, the Soviet Ministry of Culture spokesman has said. According to him, the minister's statements were caused by his war suffering and difficult childhood, as well as the fact that he lost his parents early in his life. According to the Soviet official, the Polish side is prone to exaggerating the meaning of words.

Let us recall that the statement in question was that Premier Bielecki danced a chechotka with the grace of a weightlifter on the grave of communism.

Albania-USSR Society Established in Tirana

LD0306205691 Moscow TASS International Service in Russian 1429 GMT 3 Jun 91

[Text] Tirana, 3 June (TASS)—A festive session has been held here on the occasion of the establishment of the "Albania-USSR" Friendship society. An official Soviet delegation took part in it.

An exchange of experience of the work of public organizations took place in a warm, friendly atmosphere. Representatives of the country's public highly esteemed the activity of the Soviet-Albanian Friendship Society, despite the 30-year interval in relations between the two countries.

Those assembled expressed their sincere interest in continuing the development of relations with the peoples of the Soviet Union, and repeatedly stressed that in the hearts of ordinary Albanian people the warmth that was born in the years of joint struggle against the fascists and also in the period when Soviet and Albanian experts toiled together on the construction of power stations, factories, and works, has not been extinguished.

At the session, note was made of the importance for Albania of the intergovernmental documents on trade and economic cooperation with the USSR, signed in January. As is known, this was done in a difficult period for Albania, in conditions when the people of the country thirsted for the earliest possible resolution of internal political, economic, and social problems. The profound feelings of friendship, activists of the society stressed, will doubtless become a powerful boost for the further development of relations between our countries.

West Europe

Thatcher Continues Trip, Meets Pavlov

Issues Discussed

PM0406090791 Moscow IZVESTIYA in Russian 30 May 91 Union Edition p 4

[TASS report under general headline: "Meetings Held"]

[Text] On 28 May USSR Prime Minister V.S. Pavlov received M. Thatcher, the former British prime minister and eminent political figure who is in the Soviet Union as a guest of the Soviet leadership.

In friendly and frank talks Pavlov spoke about the measures being taken by the Soviet Government to further develop economic reform, shape market structures, and overcome the crisis phenomena in the economy. Thatcher showed profound interest in the processes taking place in the USSR. She expressed the hope that the difficulties being experienced by the Soviet Union will prove temporary and can be resolved on the path of further transition to the market.

R. Braithwaite, British ambassador to the USSR, took part in the talks.

Comments on Russian Economic Prospects

PM0406092391 Moscow IZVESTIYA in Russian 31 May 91 Union Edition p 1

[Report from roundup of IZVESTIYA, RIA, TASS, INTERFAX, POSTFACTUM, and REUTER reports: "Thatcher Believes in Us"]

[Text] During a reception at the Leningrad City Soviet, where the former British prime minister arrived on the morning of 29 May, Margaret Thatcher said that she believes in the possibility of developing normal market relations in Russia. She based her confidence in the

Russian entrepreneurs' abilities on the figures for Russia's economic development prior to 1913, when the country's economy was developing more dynamically than in the United States.

Official Denies Honecker Granted Asylum

*OW0406064791 Moscow INTERFAX in English
1230 GMT 3 Jun 91*

[Text] Director of the USSR Supreme Soviet Secretariat Citizenship Department Nikolay Smelov told IF [INTERFAX] that recent reports alleging that ex-East German leader Erich Honecker had been granted political asylum were not correct. According to Smelov, to date neither Honecker himself nor any other person has officially asked for the ex-East German leader to be given political asylum.

A source in the Soviet Foreign Ministry's German Department told IF that his department had no knowledge of such a request.

Moiseyev Meets With French Ground Forces Chief

*PM0406074491 Moscow KRASNAYA ZVEZDA
in Russian 1 Jun 91 First Edition p 2*

[Unattributed, untitled report under the general heading "Official Announcements"]

[Text] A meeting took place 30 May between Army General M.A. Moiseyev, chief of the USSR Armed Forces General Staff and USSR first deputy defense minister, and Army General A. Monchal, chief of staff of the French ground forces, who is in our country on an official visit.

In the course of the talk, a wide range of problems of mutual interest was discussed.

Army General V.I. Varennikov, commander in chief of the Ground Forces and USSR deputy defense minister, took part in the meeting.

On the same day the guest from France visited the Military Academy of Tank Troops, where he studied its classroom and laboratory facilities and the organization of the training process.

On 31 May Army General A. Monchal left for a tour of the country.

The guest was seen off at Sheremetyevo Airport by Army General V.I. Varennikov and other officials.

On the same day the French ground forces chief of staff arrived in Leningrad.

Delegation in France Discusses Nuclear Safety

*LD0406040891 Moscow TASS International Service
in Russian 1620 GMT 3 Jun 91*

[By correspondent Igor Kuleshov]

[Text] Paris, 8 Jun (TASS)—A Soviet-French protocol on cooperation in the field of guidance in the prevention of nuclear radiation accidents and overcoming the aftermaths of such accidents has been signed in Bourgen-Bresse by A.P. Tsygankov, deputy chairman of the State Commission for Emergency Situations of the USSR Cabinet of Ministers, and (Jean Ansyu), secretary-general of the Inter-Ministerial Committee for Nuclear Safety for the French prime minister's office.

The Soviet delegation was in France at the invitation of the prime minister of the French Republic from 26 May to 2 June inclusive. The delegation learned in detail about the arrangements in France for organizing the safety of nuclear plants and protecting the population during emergency situations. The delegation attended nuclear power center in Bugey.

The protocol that was signed can, the document notes, serve as the basis for the subsequent development of bilateral cooperation in the framework of which the Soviet delegation invited French experts to take part in a seminar on the aftermath of the accident in Chelyabinsk Oblast, which is proposed to be organized in the USSR in the autumn of this year, and also to discuss the setting up of a Soviet-French research center.

Uranium Processing Agreement Reached

*LD0306202791 Moscow Russian Television Network
in Russian 1700 GMT 3 Jun 91*

[From the "Vesti" newscast]

[Text] As reported by POSTFACTUM, an agreement has been drawn up between a combine in the Siberian town of Seversk and the West European consortium of (Yevrodiv) to enrich uranium ore up to four percent. One hundred and fifty tonnes of uranium have already been processed. The raw material is transported to Siberia from Europe via Leningrad.

Political & Social

Republican Leaders Meet To Discuss Union Treaty

LD0306120391 Moscow TASS in English 1143 GMT
3 Jun 91

[Text] Moscow June 3 TASS—Soviet republican leaders met in a government residence in the Moscow suburb of Novo-Ogarevo today to work out the details of the new Union treaty.

The meeting was chaired by President Mikhail Gorbachev. Soviet parliament chairman Anatoliy Lukyanov and parliament's Council of Nationalities Chairman Rafik Nishanov also took part in the meeting.

Treaty Talks Continue

LD0306222191 Moscow Russian Television Network
in Russian 2200 GMT 3 Jun 91

[Text] [Announcer Yevgeniy Kiselev] The day's main event is still taking place. At this late hour the meeting of the committee charged with drafting the union treaty is continuing at Novo-Ogarevo near Moscow.

We do not yet know all the details of the talks but an hour ago our correspondent Aleksandr Shashkov told us over the telephone that the draft was being discussed article by article. The participants in the talks have confirmed that the name of the Union state, the USSR, will now stand for Union of Soviet Sovereign Republics. True, some delegates objected to this, pointing to the results of the nationwide referendum. But it was decided that the state's name should not reflect ideological positions. After all, no other country in the world officially calls itself bourgeois or capitalist, for example.

The main principles on which a democratic and federal union state should be based were agreed at the Novo-Ogarevo talks. These are respect for human rights, democratic institutions, the exercise of power by the people, equality for all forms of ownership, a market economy, a common line on foreign affairs by all the republics, and, at the same time, the right of every republic to operate independently on the international arena and to establish diplomatic relations and other ties with foreign countries.

On the eve of today's meeting at Novo-Ogarevo, it was being assumed that the delegates would also discuss ways of forming new organs of central power in the USSR. I remind you that one of the clauses of the nine plus one agreement stipulates that the new USSR constitution will be adopted after the signing of the union treaty and that elections to choose the country's president and the union parliament will be held ahead of schedule. Certain republican leaders who spoke to journalists prior to today's talks expressed the view that these questions would be agreed on in the text of the document or set out in a separate protocol.

Does this mean that the USSR Supreme Soviet will be barred from taking legislative decisions on the future structure of the union? It is no secret that many deputies in the union parliament object to this. Lukyanov, chairman of the Supreme Soviet, has stated that he will implement decisively and firmly the principle that the Supreme Soviet should take part in the preparation and conclusion of the treaty. But he immediately added that the views of the republics should also be respected, because it is they who will sign the union treaty.

'Considerable Work Ahead'

PM0406095191 Moscow PRAVDA in Russian 4 Jun 91
Second Edition p 1

[TASS report: "Union Treaty: Preparation Continues"]

[Text] A routine session of the preparatory committee for completing work on the draft of the new Union treaty was held 3 June in the government residence of Novo-Ogarevo near Moscow under the chairmanship of USSR President M.S. Gorbachev. Taking part were the chairmen of the Supreme Soviets of the RSFSR [Russian Soviet Federated Socialist Republic], the Ukraine, Belorussia, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenia, Azerbaijan, and the autonomous republics. A.I. Lukyanov, chairman of the USSR Supreme Soviet, and R.N. Nishanov, chairman of the union parliament's Soviet of Nationalities, took part in the session.

There was an article by article discussion of the document.

At journalists' request, the course of the discussion was commented on by G.Kh. Shakhnazarov, an aide to the USSR president.

The course of the discussions was distinguished by good will and mutual understanding, he noted. It was confirmed in particular, the president's aide continued, that there is agreement on the question of the name of the future federation—the Union of Soviet Sovereign Republics. Here the opinion was voiced that it was essential, in accordance with the results of the referendum, to retain the word "socialist." In response it was argued that there are virtually no countries left in the world whose names contain ideological symbols. The amendment of the name is in no way evidence of the renunciation of socialist ideals or the fulfillment of the people's will expressed in the referendum, G.Kh. Shakhnazarov stressed.

In the past day, he continued, we have succeeded in getting through the preamble and embarking on an examination of the first section of the document. It speaks of the general principles on which the Union is based: the safeguarding of human rights, the power of the people, the opportunity for the free development of all forms of ownership and of market relations, and so forth.

In G.Kh. Shakhnazarov's opinion, there was no fundamental rupture of its structure by comparison with the published text of the draft treaty. The document is being enriched, given more detail, and improved. The matter is advancing successfully, but there is still considerable work ahead.

Federation Council Denounces Events in Georgia

*LD0406103491 Moscow TASS in English 1014 GMT
4 Jun 91*

[By TASS parliamentary correspondent Ivan Ivanov]

[Text] Moscow June 4 TASS—Members of the Soviet Federation Council attending a session of a committee for preparing a draft Union treaty in a governmental mansion in Novo-Ogarevo outside Moscow have issued a statement in connection with the mass expulsion of Ossetians from Georgia, Soviet parliament leader Anatoliy Lukyanov said today.

Georgia is home to 170,000 Ossetians.

The statement says that "the flow of refugees from South Ossetia is growing" and that "Ossetians are forced to leave the republic. They are laid off from their jobs and have to leave their homes and property due to growing ethnic hatred towards Ossetians."

The Federation Council condemns this policy as "a gross violation of the Soviet Constitution and international pacts on human rights."

"The Georgian leadership should abandon the anti-democratic and anti-humane course of driving Ossetians out of the republic and act in compliance with democratic principles, to which it claims it adheres," the statement says.

The Federation Council has obliged federal agencies to take necessary measures to protect the legitimate rights and interests of Soviet citizens who are being resettled.

Inter-Movement Briefing on RSFSR Candidates

*LD0306194191 Moscow Russian Television Network
in Russian 1700 GMT 3 Jun 91*

[Video report by correspondent Sergey Rybin from Inter-movement news conference in Moscow]

[Text] [Rybin] The Inter-movement had a meeting with the press in Moscow today. In spite of a quite scandalous reputation the press conference, given by Kogan, Lopatin, and Chernyakovskiy attracted only two journalists. It was they who were informed that the Inter-movement members, or to be more precise the so-called Committee of National Salvation in the republics, have formed the Inter-movement of the Soviet Union as of now. According to them, they have about 3 million supporters at present. It is still not clear, in particular, how the work of the radio stations broadcasting from military units in

the republics is being financed. The aims remain the same, as well as the methods of achieving them.

[First unidentified person on rostrum] Illegal formations which we have in the country are pushing us exactly on the same way as has already happened in all the regions of the country; the central government will be held responsible for this and the Russian Soviet Federated Socialist Republic [RSFSR] government, I mean, Yeltsin, first and foremost, if there is nobody to protect us, and we ourselves will organize our own defence.

[Rybin] To the question of whom the Inter-movement is going to support at the elections of the RSFSR president, the following answer was given:

[Second unidentified person on rostrum] I can tell you precisely who we are not going to support.

[Third unidentified person on rostrum] We can tell you this clearly, whom we are not going to support.

[First unidentified person] By no means will it be Yeltsin, not after his visit to Estonia. This is certain. We know Bakatin very well from his activities when he, excuse me, simply betrayed all our boys and brought down the Ministry of Internal Affairs, after which we fell directly under our Kaitseliit and Kodukaitse [names of Estonian defense leagues]. Unfortunately, we do not know much about Tuleyev, we do not know what kind of person he is. But I can say unambiguously that on the whole Russia is not spoiled for choice at present. We liked the statement by Zhirinovskiy. You do remember his postulate that he is going to protect us, the Russian-speaking population, in Russia and in the entire Soviet Union. It is difficult to say whom we would support more. I think, Ryzhkov, maybe, because he has certain experience, in spite of all his negative things. We are not idealizing him.

[Rybin] Russia has already concluded six treaties with other republics. These treaties stipulate a full guarantee of the rights of the Russian-speaking population in articles three to six, including also political rights. Sergey Rybin from the Inter-movement press conference.

Soviet Loss of Superpower Status Lamented

*PM0306150191 Moscow KRASNAYA ZVEZDA
in Russian 25 May 91 First Edition p1*

[Vyacheslav Lukashevich article under the "Seven Days" rubric: "Farewell, Superpower-Soviet Union?"]

[Text] I realize that some people would like to put an exclamation mark in this headline. But do not be in too much of a hurry, gentlemen, do not be in too much of a hurry. Otherwise you will only have to repent later on and, as has happened more than once before in our history, try to prove that such a wish never entered your head—on your honor as a Pioneer. We have always staunchly defended our native country, you will say.

I think this problem has more to do with the morality of some aspects of our current policy and its commonsense in the context of our society's national character. Let us think back: In the time of Peter the Great, when a truly grandiose perestroika program was launched and implemented, Russia achieved the status of a great power. Great not only by virtue of its expanse, but in terms of its might: economic, military, and cultural. Our state strengthened these positions in the centuries that followed. I do not deny that there have been periods of decline and years of terrible ordeal, but the people's potential and ability for regeneration and inspiration have been demonstrated by our country's distant and recent past.

Our accursed 20th century has seen everything there is to see. War, devastation, hunger, cold—but the Soviet people stood their ground despite everything. They stood their ground and squared their shoulders until their joints creaked, supermonsters—like fascism—collapsed on their knees before them, and they resurrected cities and villages from ashes, after losing 27 million of their best citizens in the Great Patriotic War. And this feat of resurrection was achieved in just five to six years! They not only stood their ground and resurrected cities and villages: They built an inconceivable nuclear missile shield to keep others from coveting the riches of our land in the future....

But what do we have now? More devastation, more chaos, more economic ruin. The easiest thing to do—as, indeed, some leaders at both ends of the political spectrum are already doing—is to blame everything on the “architects of perestroika” and say it is all their fault. I cannot agree with this in principle. After all, even the birth of just one child involves so much pain and torment! If a whole new country and state are being born, the pain is that much greater for every member of society.

It goes without saying that much does depend on the “architects.” Possibly to the highest degree. But the age-old human rights that have entered our home thanks to them—namely freedom, glasnost, and democracy—come at a very high price. They cannot be paid for in gold, freely convertible currency, or worthless rubles but in something of much higher value: **Responsibility**, regardless of whether you are a president, minister, parliamentarian, journalist, teacher, engineer, or tiller of the land. Progress is determined by human responsibility, awareness, goodness, honesty, industriousness, spirituality, and love for the “graves of our fathers” and our country.

“Is Gorbachev really signing decrees on the partition of the USSR?” N. Sibilev, a reader from Urengoy, asked. “Is he really the one who started the ‘war of sovereignties’? Is Pavlov really the person responsible for the grain and potatoes rotting in the fields? Is Yazov really calling for the immediate withdrawal of our troops from abroad and stationing them in tents full of holes, thereby reducing the army's combat readiness? No, this is the

work of others—those who gather at rallies, those who are reviving capitalism, those who do not want the USSR to be a powerful state. It is not surprising that our gutter press is so earnestly compromising the concept of patriotism or that some politicians are working for the disintegration of the state (supported by gullible crowds at rallies), because they have other aims....”

This letter is in fact about the responsibility of each and every one of us. It is about the fact that a patriot is not a retrograde or a chauvinist, as some try to make out, but a normal person in normal civilized society. Moreover, I cannot fail to recall the great Dostoyevskiy, who wrote the following words in his diary in 1877: “... As soon as the European sees that we have begun to respect our people and our nationality, he will immediately begin to respect us.” Beyond the people and their national identity, Fedor Mikhaylovich saw the whole of Russia as a country and a state.

Thanks to the military parity created by the whole nation's enormous endeavor and thanks to its economic potential, for many decades the Soviet Union held its rightful place as a superpower. It was a force to be reckoned with in the world: It was consulted and its presence heeded. There were also those who saw our country's might primarily as a threat of aggression, a sign of imperial ways, and so forth. But the commonsense world understood that, as the country that has suffered most this century, the USSR had no intention of unleashing world wars, and in fact its might contributed to strengthening peace and cooperation in the world.

But in the space of a few years we have hurled our country from this world pedestal with our own hands. We began by apparently undermining it only slightly: We started to repudiate everything heroic in our recent past as well as everything negative (the Stalinist violence, totalitarianism, and stagnation). Then we humiliated entire generations which had spared themselves no effort on the frontline and in endless construction projects. We have fanned the flames of interethnic discord reminiscent of the Inquisition. We are trying to hack our state into squalid “independent” entities while it is still alive. Now we have come (deliberately) to the Armed Forces. True, it must be said that this is the only monolith that has so far failed to crumble. Nevertheless, it is coming under fire from the pages of the “democratic press,” from rostrums in the squares, and even from parliamentary tribunes, as people try to patch up any hole they can with the military budget. It would not hurt to take a look across the ocean. Take a look and see how the United States, for example—with whom we so recently shared the superpower tandem—is paying homage to its soldiers returned from the Arabian desert; how American patriotism has blossomed recently; and how respect for state symbols has increased. They see this as making for a healthier nation.

Yes, the U.S. Army is not only surrounded with glory and honor in its country but with concern for its future development. It cannot be ruled out that the “world

order" which President George Bush never tires of mentioning will be built—and not without its help. In any case, its victory in the Persian Gulf prompted the President to make the following statement to Congress in early March: "Our success in the Persian Gulf will not only determine the new world order, to the creation of which we aspire; it will also determine our mission here at home." And Defense Secretary R. Cheney subsequently admitted: "It is quite obvious that the United States is emerging as the only real superpower in the world" and that, "thanks to U.S. technology, U.S. ingenuity, and U.S. genius, the U.S. Armed Forces are the best in the world."

It is now openly said across the ocean that the United States has fighting strength superior to the Soviet Union (it was the other way around until quite recently). Anyway, we can see for ourselves on Soviet television how space apparatus is being tested as part of the SDI program; we also read that, if Congress does not provide for "appropriate allocations" for the SDI program and the construction of new B-2 bombers as part of the defense expenditure, the defense secretary will recommend that the president veto this draft law.

To all appearances, our colleagues across the ocean will soon be proposing a new technological round in the arms race. Then our economy will explode once and for all!

In the meantime, our "conversion" program is being implemented in a confused and—I will be frank—criminal manner; our first deputy defense minister and chief of General Staff engaged in talks in the United States is trying to resist the U.S. demand that our coastal and naval infantry's combat equipment be included in the treaty on conventional arms cuts in Europe; cries of "don't join the Army, Vanek" are being heard on all sides; and our underground test shafts are silent. Let me give you a few figures. In 1990 the United States carried out nine nuclear tests, France—five, and China—two. When O. Suleymenov, leader of the Semipalatinsk-Nevada Movement, gave a speech in Nevada, the response was roughly as follows: The test site is the pride of Nevada State; its work safeguards peace throughout the world; we (that is, the Americans) have no problems with the test site's work—everything's fine; your problems are your problems; and anyway, what gives you the right to use the name of our wonderful state in the title of your movement?

True, this was said before the United States was "established" as the only superpower. So there we have it, my dear compatriots. It gives us something to think about, at least in the immediate future, as we watch the six pairs of contenders for the posts of Russian president and vice president doing the rounds and make our choice accordingly; as we continue our strike or hunger strike, which is a lot of use in our present conditions; and as we receive charity parcels from Western "patrons," which, as our correspondent in Petropavlovsk-Kamchatskiy reported the other day, contain worn socks full of holes amongst all the other rags.

After all this, you have no desire to think about the immediate future. Except, perhaps, for Nikolay Gumi-lev's words: "Oh Russia, stern sorceress, will you weave your spell far and wide?"

Gorbachev Move Left Opponents 'No Chance'

PM0306135791 Moscow MOSKOVSKIYE NOVOSTI
in Russian No. 19, 12 May 91 p 5

[Stepan Kiselev article: "There Are Two, Three, or Four Such Parties"]

[Text] On 25 April, at 1400 hours precisely, Mikhail Gorbachev attempted to "orphan" USSR Communists by resigning from his post as general secretary at a scheduled plenum of his party's Central Committee. The story was in all the newspapers. But here is a document that can reveal the sense of what happened more accurately and with greater depth than the most perspicacious of commentators.

Mikhail Gorbachev (from the presidium): "OK, that is enough, I shall answer you all now. " (Walks up to the rostrum. Cries of "Break! Break!" from the audience). "I shall be brief: You will have time for lunch." (From the rostrum): "Now is not the time to succumb to emotion, because the questions being discussed are too important. At the same time, I must point out that some 70 percent of the speakers at this plenum have said that the general secretary's popularity and authority are almost rock bottom. I do not think the man or the party can be left in this state. That would be simply criminal. So I propose that we end the debate and decide the question of the general secretary and of who will take his place between congresses. And, moreover, the question of who could satisfy the two, three, or four parties present in this auditorium.

"For my own part, I would like to say that the interests of the party and the state are no less dear to me than they are to those who have appeared in the political arena in the last two weeks. I resign."

So, General Secretary Gorbachev announced his resignation, knowing that on the eve of the CPSU Central Committee plenum President Gorbachev had signed a truce agreement with the leaders of nine republics (a joint statement in common parlance). Without this document in his pocket, Gorbachev's divorce from the party could have been unequivocally interpreted as "going nowhere." Conversely, with this "truce agreement" in his hands, Gorbachev could boldly launch his resignation game with no risk of losing.

I say "game" because, in adult politics, responsible decisions like resignation are made only once and are not liable to appeal. That is how it was done, incidentally, by Grigoriy Yavlinskiy and Eduard Shevardnadze.

I say "with no risk of losing," because Gorbachev left his opponents no chance of success, however events developed. If they accepted his resignation, they would be left

without the republics with which Gorbachev had reached an accord on joint actions. If they rejected it, that would mean they agreed with Gorbachev's policies and thereby disavowed all talk of the "general secretary's popularity and authority being almost rock bottom."

Once again, Mikhail Gorbachev demonstrated his tremendous ability for political maneuvering by making a brilliant procedural move. Imitating chess commentators, I should put an exclamation mark at this point if the rules of the procedural game still determined real politics and victory in this game was still interpreted as ability to run the country. But everything has changed.

Continuing to remain in the post of general secretary, Mikhail Gorbachev is obliged, by his own admission, to "satisfy the two, three, or four parties" present at the CPSU Central Committee plenum. This, incidentally, is also evidenced by his decree, which is in the spirit of the "cold war" of laws and reverses the decision of Armenia's highest authorities to nationalize CPSU property in the republic's territory. An important detail is that the decree was signed on 23 April, in other words the same day as the adoption of the "joint statement by the 10," which allegedly recognizes the republics' sovereignty. Gorbachev would not be Gorbachev if he had not foreseen a possibility for maneuver within the framework of the "truce agreement" with the republics.

Look closely at this document. It contains a clause stipulating the right of Latvia, Lithuania, Estonia, Moldova, Georgia, and Armenia to autonomously decide whether they become parties to the Union Treaty. This clause could put everything in its place and promote political stabilization in the republics, but the president may refuse to acknowledge this clause at any moment. He has not signed it. This is the only section in the whole document to begin with the words: "The top leaders of the union republics taking part in this meeting recognize the right of Latvia, Lithuania..." and so forth. In other words, it is not Gorbachev who recognizes the republics' right to live as they think fit, but the republics themselves. Anyway, even a document signed at the highest level is only paper. Words, words, words. But as far as action is concerned....

After the joint statement had been signed, a special purpose militia detachment seized commercial banks in Vilnius—the president washed his hands of the matter. After night vigils in Novo-Ogarevo, troops took punitive action against the Armenian population in Azerbaijan—the president promised nothing. After accord had been reached, the "Nadezhda" [Hope] Station launched television broadcasts to Estonia from the territory of a military unit, thereby violating the republic's sovereignty—the president said he had nothing to do with it. He still sees himself as the head of all 15 republics, meanwhile trying to satisfy "the two, three, or four parties"....

I may be wrong, but the "alliance of 10" seems to have been born under an unlucky star. The events that have

taken place since it was contracted remove those small crumbs of hope which had begun to appear after the meeting in Novo-Ogarevo. The blood is pouring forth with new strength.

No Time To Lose in Forming Opposition Party

PM0306143191 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 19, 12 May 91 p 3

[Commentary by MOSKOVSKIY NOVOSTI Chief Editor Yegor Yakovlev: "There Will Be a Child—Only Not From the CPSU"]

[Text] The discussion that has been going on for a long time now—namely, that a constructive opposition is needed—is starting to take real shape. An increasingly active interest has been shown in this idea recently by Aleksandr Yakovlev, Eduard Shevardnadze, Gavriil Popov, Anatoliy Sobchak, Stanislav Shatalin, Grigoriy Yavlinskiy, and others whose authority could promote the birth of a mass party with its own structure, local branches, and publications. Proposals to their future editors have already been made.

But is there any need for a party important enough to become an alternative to the CPSU? In my view, it is absolutely essential. Political stabilization is inconceivable without a political counterweight. On our Soviet scales, however, the desired equilibrium appears roughly as follows: Pavlov and Yazov with their clout are firmly established on one side, while Travkin is trying to seize hold of the other.

The CPSU still calls itself the initiator of perestroika, although in a totalitarian society the impetus for reform can only come from an enlightened dictator or a rebellious people. The truth lies elsewhere. The CPSU leadership has a vital interest in keeping reform within limits that will enable it to retain its undemocratic exclusiveness. Defining the socialist choice yet again, Mikhail Gorbachev said that it means orientation toward the individual as the most important value, a democratically structured society, parliamentary system, supremacy of the law, and, finally, diversity of forms of ownership with social justice. Any civilized society is prepared to accept this premise. But, as we all know, words remain words if they are not backed up by practice. And in practice, according to party instructions, the Army is used for punitive purposes, the commanding officers of military districts are summoned to Central Committee plenums, those same plenums are used to tell the prime minister how to run his life, and functionaries at local level demand power, power, and more power.

The formation of a mass party is also being encouraged by the mood of many people who are still members of the CPSU but do not sympathize with the policies of its leadership and, at the same time, can see no possibility of going anywhere else.

Another contributory factor is the development of political events, hopes of forecasting which are offered by the

statement issued by the president and the leaders of nine republics. But without an influential, constructive opposition, it is hard to believe that the planned scenario will come to fruition: The conclusion of a Union Treaty, formation of a new executive authority, adoption of a constitution, and nationwide presidential elections. All this essentially in the space of a year that began with blood shed at the request of Lithuanian neo-Bolsheviks.

Yes, a mass party is needed—that much is clear. Our political life is pregnant with this happening. But what form will the party in question take?

The overwhelming majority of its initiators were also responsible for initiating and ardently supporting reform as members of the CPSU. The discrepancy between the scale of transformations upon which the CPSU leadership has been forced to embark and those which are essential for society's revival has gradually become obvious. But every necessity has its limits. If it is merely a question of the CPSU becoming more liberal, the grounds for counting on success are not very great, you must agree. But can its creators return to the point reached in 1903, which saw the breakup of Russia's Social Democracy? Will they be able to move from the withered branch of Bolshevism to the green tree of world Social Democracy, which is one of the most important achievements of world civilization in our age? Will they be able to say honestly and decisively what they want and what they are resolved on? Are they resolved on a society that encourages enterprise and free economic initiative and where the enrichment of one is to the benefit of all, thanks to a socially just taxation system? Are they prepared to form a genuinely parliamentary party, for which the law takes precedence over everything? If the answer is yes, the prospects for development are not simply vast—they are historically open.

Once again, we are encountering the initiative of the men of the sixties—those who were even called the children of the 20th congress when this had unquestionably positive associations. Today, however, the term "man of the sixties" does not so much turn our thoughts to the time of the thaw as remind us that its supporters are now past 60 years of age. Is it going to be just another party of a fading generation or will it open the way to new people? If the aforementioned leaders succeed in creating a qualitatively new party, they will fulfill their historical mission and to some extent atone for the guilt that we have passed on from our fathers and grandfathers.

One last point. Only an incorrigible joker could call our present existence the era of perestroika. We have entered a period of unfulfilled hopes and disappointments. We are late with everything—including the idea of a new party. But have we missed the boat altogether? I will simply repeat what Shevardnadze said in our last conversation together: "...It is becoming increasingly difficult to talk about the formation of a constructive opposition, because we do not know how much time we have been given."

Yes, there is no time to be lost.

Border Guard Chief Kalinichenko Views Challenges

91UF0798A Moscow SOVETSKAYA ROSSIYA
in Russian 28 May 91 First Edition p 4

[Interview with Col. Gen. I.Ya. Kalinichenko, USSR KGB Border Troops chief, by V. Murin on the occasion of Border Troops Day; place not given: "Our Motherland's Border Is Here"]

[Text] A few statistics. Each year the Border Troops detain 2,000 to 2,500 violators of the state border. Between 20 and 25 percent are detained during an attempt to leave the USSR. The exception was 1990, during which over 28,000 border violators were detained. This increase was the result of mass crossing attempts at the Azerbaijan part of the Soviet-Iranian border, where about 25,000 violators were detained.

During the 1986-1990 period the following took place:

- about 100 firings at border patrols, the population, and USSR territory;
- about 200 hostile attacks against border patrols and the population;
- about 150 instances of placing mines on Soviet territory (all in the Afghan part of it).

In 1990 Border Troops KPP [border crossing checkpoints] detained: 1,597 units of arms (of these, 948 were firearms), 124.4 kilograms of narcotics (86 kilograms were from foreign nationals) and 106.6 million rubles [R] worth of contraband (together with the customs services).

These figures help to visualize how complex the Border Troops service is today. They were given to us by the USSR KGB Border Troops chief, Col. Gen. I.Ya. Kalinichenko, during our conversation about the current situation at the border.

"As you can see," he said, "it is complex in all respects. Destructive forces in our border zones are becoming more active. We could not help but be affected by the events that were developing in Iraq, only 300 kilometers from our border. Shots are fired at the border more and more often. Not too long ago our patrol was ambushed on the Afghan part of the border. As a result of the ensuing clash, one violator was killed and eight detained. To our great regret, we also lost two people..."

[Murin] Ilya Yakovlevich, people have an image of your service as one continuous barbed wire fence, patrol paths and plowed control strips, watch towers, and "stake outs" with dogs.

[Kalinichenko] This is far from true. We not only protect the border as such, but are also engaged in larger scale activities aimed at protecting the interests of the Soviet Union. The Border Troops are charged with protecting

the national economic zone which extends 200 nautical miles off the Soviet coast and comprises 8.5 million square miles. Last year, 43 foreign ships were detained there for poaching, and the total amount of penalties came close to 5 million hard currency rubles.

Thus, today our number one task is the protection of Soviet economic interests at the border, as well as the political aspects of troop activities in regard to ensuring the inviolability of the border and the territorial integrity of both the USSR and the sovereign republics. All of this is taken into account in the new concept for the reform of the protection of the state border and economic zone of the USSR.

[Murin] What will the priorities of the Border Troops be in the next decade?

[Kalinichenko] First of all, increased effectiveness of Border Troops activities on international routes. During the last two years alone we opened 51 additional border checkpoints. Now we are looking at opening about 100 more border crossing checkpoints in various cities in the country—sometimes hundreds or even thousands kilometers away from the border. Even now, to be honest, the troops handle border control at the limits of their capacity. When the law on exit and entry becomes effective, it is predicted that the flow of people and transport over the border will triple.

The new concept fundamentally changes the policy in regard to science and technology in ensuring protection of the state border, and the strategy and tactics in the troops' activities. We are planning to abandon the use of "heavy" combat equipment on the land border (armored equipment and artillery), which will help save money for the treasury.

Protection of the USSR economic zone deserves special mention. I have already given you figures on detained foreign ships engaged in illegal business in our economic zone. To tell the truth, this is just an insignificant portion of all the poachers. The Border Troops' manpower and resources allocated to this task are extremely limited. To protect the economic zone, we need additional proper equipment, manpower, and financing.

[Murin] But we hear voices from some podiums, as well as in the press, that we already have the world's largest border troops.

[Kalinichenko] If you and I consider ourselves serious people, let us talk seriously. Those operators who "look after" state expenditures seem to forget that we have the longest border in the world, and that we carry out our duty under conditions that are far from comfortable. It is fashionable now to refer to comparisons with foreign countries. So let us look at the United States, where there is a 87,000-strong Coast Guard for 45,000 kilometers of border. For these 87,000 border guards, they have a budget of \$3.6 billion (we have R2 billion). We have considerably fewer ships to protect our economic zone than the U.S. Coast Guard has, and four times fewer

aircraft. Even territorially small Japan has 332 ships that are used to protect their border and economic zone. That is the world level. Now let us look at history. The total number of border guards of the Russian state in 1914 was 104,000 people, protecting 15,000 kilometers of state border.

The current number of our Border Troops is a little more than 200,000 people. They protect more than 62,000 kilometers of state border plus the economic zone.

[Murin] When you were talking about the U.S. Coast Guard, it unwittingly came to my mind that we are talking about professionals...

[Kalinichenko] Yes, and we also need high professionalism in the service. In line with our new concept, it is planned for the Border Troops to undergo a consistent move to a mixed principle of filling the positions of soldiers and sailors, sergeants and petty officers both through drafting citizens into military service on the basis of universal military draft, and through placing citizens in military service on a volunteer basis. In the future, as the economic preconditions emerge, it is planned to implement a phased transition to a professional border guard service, manned, among other things, by local residents of the border area and by reinvigorated Cossack communities. We are planning to open a Suvorov School where our children can prepare themselves from their school days for this profession—to defend the Motherland.

[Murin] Does this mean that you advocate Border Troops dynasties?

[Kalinichenko] Yes, I am for dynasties. My own father was a border guard, and my sons are continuing the family tradition.

[Murin] What concerns you most of all today as chief of the Border Troops?

[Kalinichenko] There is a host of problems, starting with social ones. I think that no other military formations are more deprived in a social sense than the Border Troops. They serve in the Karakum sands and in Arctic latitudes, in the Pamirs Mountains and in the Far Eastern taiga. Their children go to rural schools that are sometimes located tens of kilometers from post; or they live in boarding schools or with relatives. Wives of officers and petty officers cannot find a job for years. Not even in their profession—any job. Remember today's prices... But what especially concerns us is the housing situation. In the Western Border District alone, 2,500 families do not have housing. And these are the people, many of whom went through the Afghanistan war, who have 15- to 20-year records of service at the border.

[Murin] What would you like to wish your subordinates today?

[Kalinichenko] First of all, high professional skills, wisdom, optimism, and confidence in themselves.

Violations of Citizens Voting Rights Investigated

PM0406094391 Moscow PRAVDA in Russian
28 May 91 First Edition p 1

[PRAVDA-TASS report: "In Accordance With Resolution"]

[Text] In accordance with the USSR Supreme Soviet Resolution of 21 March 1991 "On the Results of the USSR Referendum of 17 March 1991" organs of the USSR Prosecutor's Office have examined cases of breaches of citizens' constitutional rights which occurred during the nationwide vote in Moldova, Lithuania, Latvia, Estonia, and the Abkhaz SSR [Soviet Socialist Republic].

According to the information presented by USSR Prosecutor General Nikolay Trubin, 15 criminal proceedings have been initiated on detected breaches. The document points out that the cases of violence and threats against citizens taking part in the referendum assumed a specially dangerous character in Moldova.

Blatant psychological pressure was exerted during this period on the inhabitants of the Abkhaz SSR. Cases of threats of physical violence, seizure of land, stripping of Georgian citizenship, and burning of the homes of those who went to the polling places were recorded.

As N. Trubin reported, investigation of the criminal cases of breach of USSR law are being monitored by the USSR Prosecutor's Office.

Law on Recall of People's Deputies Passed

OW0406061091 Moscow INTERFAX in English
1230 GMT 3 Jun 91

[Text] On 3 June, the Union Parliament passed the law defining the procedure of recalling Soviet people's deputies. A deputy may be recalled in case of lawbreaking or failure to acquit himself of responsibilities as a deputy. To conduct a vote to recall a deputy, the idea must be supported by at least 10% of the constituency. A deputy shall be considered recalled if 50% or more of his constituency vote for his recall.

The recall procedure will be funded by the Union budget. The law says that a deputy sent to a parliament by a public body may only be recalled by the respective public body.

Economic

Gorbachev Has Projects Ready for G-7 Summit

OW0406101191 Moscow INTERFAX in English
1830 GMT 3 Jun 91

["Business Today"]

[Text] Soviet foreign minister Aleksandr Bessmertnykh said the Soviet Union would like to participate in the

upcoming summit of the leading industrial countries in London in July to help the West form a more clear notion about reforms in this country. Mikhail Gorbachev is ready to propose "a whole range of interesting joint projects" to the G-7 leaders, he stressed.

Mr. Bessmertnykh, who granted an exclusive interview to IF [INTERFAX] after his meetings with representatives of the U.S. administration in Lisbon where he discussed the settlement in Southern-Western Africa, said he has got an impression that the West "does not seem to understand quite clearly our idea of cooperation with the Group of Seven. He said it did not mean that Moscow would like to ask "seven rich uncles for financial help".

Aleksandr Bessmertnykh said that Soviet proposals could move the cooperation with the West "very far ahead". However, he did not elaborate what were Mr. Gorbachev's proposals for the summit.

Soviet Prime Minister Valentin Pavlov said last month in an exclusive interview to IF that the USSR was working on a single power grid project from Atlantic to the Urals and was ready to offer the Europeans a large scale agricultural project based on pooling Soviet and Western experience in this field.

Aleksandr Bessmertnykh pointed out that the Soviet Union was "at the major crossroads moving toward a market economy" and it was in its interest that the Group of Seven had a clear noting of purposes and routes of this process of restructuring. In the absence of such an understanding the West is bound "to continue to wander in the dark and to produce formulas which might suit Poland or Brazil but are not applicable to our conditions", Aleksandr Bessmertnykh said.

Pavlov Comments on Economic Reform, Wages

LD0306142591 London ITV Television Network
in English 1210 GMT 2 Jun 91

[Interview with Prime Minister Valentin Pavlov by correspondent Donald MacCormick in Moscow on 2 June; from the "Special Inquiry" program episode "The Capitalist Manifesto"—recorded]

[Excerpts] [passage omitted] [Pavlov] The question of accelerating perestroika through the provision of more large-scale aid from our Western partners, who are in this particular instance the members of the G-7, is a real enough possibility. If the West does provide help, then perestroika will, on the one hand, forge ahead much faster, and on the other, involve less outlay. In this sense, we neither did anything to conceal, nor are attempting to conceal now, our interest in such aid. And we are perfectly willing to establish the necessary legal, social, and political conditions within the country, so as to ensure such aid will yield results. [passage omitted]

[MacCormick] On the key matter of turning the Soviet economy around, which you want help from the West

with, there seems to be one crucial test of your commitment. For example: Mr. Gerashenko, the head of the central Soviet bank, has told us that wages must now be frozen even while prices are allowed to go up still further. Are you really prepared to implement such tough and, inevitably, unpopular measures?

[Pavlov] The idea of freezing wages is hardly new, you know. But personally, I'm not an advocate of that idea, because I think that, given our conditions, it is unrealistic and it is also unnecessary. Now, keeping wage increases firmly in line with production growth is another matter all together. Wages should not be allowed to increase faster than the results of labor, but you can't increase production just like that. The main way out of our present crisis is through increasing production, and you'll never achieve that if you freeze wages. We are faced here with an extremely tough conundrum. If we stress worker interest and motivation, then how can we increase workers' incentive if we freeze their wages?

[MacCormick] But when you automatically compensate people in wage rises for inflation, as you do, how can you possibly claim to be running a sound and responsible financial and monetary policy?

[Pavlov] I don't think you have quite understood exactly how our policy has been drawn up. As a starting point, we take the fact that we shall compensate people for price rises, but only those people who, as we say, still cannot or cannot any longer provide for themselves through their work; whereas those people who can and are able to work, must provide for that compensation through great efficiency. It must be understood that, in this case, the state cannot, itself, take responsibility for such compensation.

Martynov Rejects Fast Shift to Market Economy

AU0306155191 *Duesseldorf* *HANDELSBLATT*
in German 3 Jun 91 p 13

[Bernd Ziesemer report: "Gorbachev's Team Rejects Speedy Transition to Market Economy"]

[Text] Moscow—According to his economic adviser Vladlen Martynov, Mikhail Gorbachev is personally striving for the rescheduling of Soviet foreign debts. The western banks are currently little prepared to grant the Soviet Union new credits, the director of the Moscow World Economics and International Relations Institute said in an interview for *HANDELSBLATT*. This attitude is currently giving the Soviet leadership "more headaches" than many other economic problems.

Since the beginning of April, 61-year old Martynov has been Gorbachev's official adviser. Since 1957 the economic scientist has worked without interruption at the Moscow World Economics Institute, which was already regarded as a think tank of the Soviet leadership under Brezhnev. Martynov's thesis dealt with the development of the American agriculture. Later the professor, who is also a corresponding member of the Moscow Academy

of Sciences, dealt with questions of scientific-technological progress in the Soviet Union and the problems of economic forecasts. He was a co-author of the so-called 500-day market economy transition program last summer.

Martynov hopes that Soviet President Gorbachev will be able to participate in the world economic summit in London in mid-July. The present efforts of Soviet economist Grigoriy Yavlinskiy to win the seven Western industrial nations for a large-scale relief program for the Soviet Union are "very important." "We are ourselves interested in Western control of the effective use of new credits," Gorbachev's adviser stressed.

The Soviet Government is, for example, concerned about the Deutsche Bank's attitude to only grant new loans to the Soviet Union if 95 percent are guaranteed by the state. Gorbachev's adviser does not think much of the demand to distribute the Soviet Union's foreign exchange revenues and servicing of debts among the individual republics of the union. Such ideas have nothing to do with the much-quoted transition to the market economy: "This is the transition from one bureaucracy to another," Martynov stressed. In his opinion, the foreign exchange revenues and expenses should continue to be centrally administered in the present crisis. Only a small part of the foreign exchange revenues can be distributed among the republics: "But only if there are guarantees that these means are not squandered on official trips and useless projects," the economist added.

After the so-called "Nine plus One agreement" that Gorbachev concluded with the representatives of nine union republics, Martynov sees at least a glimmer of hope on the horizon. Without an agreement between the republics and the center it is impossible "to gain the people's confidence." However, only on this basis can an economic reform be considered in the Soviet Union.

Martynov said that production stabilization is the main task of Soviet economic policy: "We have to prevent the breakdown of the economy." The Soviet economy's weakest point is the shaken ruble. Therefore, Gorbachev's adviser advocated "tough measures to curb the budget deficit."

In this respect, Prime Minister Valentin Pavlov (Martynov: "A good finance politician") is on the right path. However, he has to grapple with populist ideas among the politicians again and again: "Far too much that cannot be kept afterward is still promised to the people," he said.

Gorbachev's adviser calls himself an advocate of private property, even in agriculture. Nevertheless he does not see an opportunity for speedy privatization measures in the Soviet Union. For the majority of people, the concept of private property is "still a dreadful vision." Moreover, private farms are "no panacea." A better food supply of the population can only be ensured by them "over the very long term." The state *sovkhoz* [state farm]

and kolkhoz [collective farm] system cannot be replaced within a short time. Rather, transition measures, for example, the formation of family cooperatives within the framework of the existing kolkhozes, are necessary.

In the interview for *HANDELSBLATT*, Martynov vehemently rejected "shock therapy according to the Polish example." So far, the Polish reformers have by no means proven that they can achieve the industry's "structural reorganization" with their methods. The Soviet economist reproached his expert colleagues in the West for "proposing sometimes too simple recipes for the Soviet Union." Many in the West react impatiently to the slow course of reforms in the USSR because they pay too little attention to the country's specific conditions: "Ninety percent of our people still expect the state to relieve them of all concerns," Gorbachev's adviser stated. Under these conditions a speedy transition to the market economy is out of the question, he said.

Commentator on IMF Report on Soviet Economy

LD0406055391 Moscow Radio Moscow World Service in English 2000 GMT 3 Jun 91

[Boris Belitskiy commentary]

[Text] One of the most briskly debated topics in Western capitals just now is Soviet economic reform and Western financial backing for it. A basic work of reference in this debate is a report on the state of the Soviet economy compiled [as heard] a few months ago by the International Monetary Fund, the World Bank, and two other related organizations. But how is this report viewed by Soviet experts? Here is Boris Belitskiy:

The IMF report, let us call it that for short, has of course been thoroughly studied by Soviet economists and in fact expert opinions on it have been formulated by two prominent institutions of the USSR Academy of Sciences: the Institute of Economics and the Institute of the World Economy and International Relations. These opinions have been submitted to the government commission on economic reform.

While paying tribute to the high professional standards, goodwill, and analytical expertise of their Western colleagues, the Soviet economists, particularly those at the Institute of the World Economy and International Relations, do differ with them on a number of points.

A few examples. Take housing: The Soviet economists agree with the Western experts on the need for a market-oriented system to replace the present system, based largely on the state allocation of housing to the citizen, but at the same time it is pointed out that this change cannot be effected as quickly as the Western experts think this possible, if only because of the low incomes of the overwhelming majority of the population.

Or consider the section of the report on the environment. The Soviet experts agree that a well-functioning market can help improve the environment through the more

efficient use of resources, but they question some of the recommendations on attracting advanced Western technologies. Unfortunately, they point out, there have been many Western attempts to saddle the Soviet Union with obsolete and ecologically dangerous technologies, hence the need for appropriate safeguards, which are not mentioned in the IMF report.

On prices, the IMF report favors their total liberalization with the removal of all state controls. However, the Soviet experts point out that this will not prove effective until a mechanism is in place assuring that price hikes really stimulate production.

Nor does the IMF report given any consideration to the social effects of the measures it proposes.

There are, however, some sections of the IMF report that the Soviet economists accept wholeheartedly. For example, on the need to improve accounting and statistics, to make the ruble convertible, and on the need to encourage foreign investment by providing adequate legal protection for investments, and the like.

No doubt these and other opinions of the Soviet economists are to some extent reflected in the brief of the team headed by Grigoriy Yavlinskiy, who are at this moment working with a group of Harvard economists in the United States led by Jeffrey Sachs, on a joint program due for completion by the 15th of this month.

After that the program is to be submitted to President Gorbachev and President Bush. With their approval in principle it will then go before the Group of Seven industrialized countries at its meeting in London in the middle of next month.

Technical Problems in Oil Production Viewed

LD0306171691 Moscow Radio Moscow World Service in English 2300 GMT 2 Jun 91

[Text] Over the past three years the volume of crude oil production has fallen in the Soviet Union by one-quarter owing to technical reasons as much as the current economic crisis. This country has used up almost 80 percent of its oil deposits, and although oil export remains the chief source of hard currency income, it is now selling less than one-half of what it used to sell three years ago. The slump of Soviet oil production makes some experts fear that by the middle of this decade the Soviet Union might cut its oil exports altogether.

(?Mikhail Solubskov) of the Soviet Institute of World Economy felt this country will need time to regain its footing as the traditionally big oil producer and exporter. He said that, given its outdated equipment, the Soviet Union would have to develop new oilfields to make up for the worked-out wells. But only one major deposit has been discovered and put to use over the past few years. Only if the Soviet Union updates its technology and equipment will it be able to draw more oil from the old wells, prospect for new fields and develop new deposits.

Dr. (Solubskov) says this country pins its hopes on western know-how and investments. Western investment, he says, is supposed to boost the development of many oilfields, for example that of the island of Sakhalin in the Soviet Far East and near the city of Arkhangel inside the Arctic circle. Western oil companies, however, take a cautious approach towards the action of the Soviet market because the current slump in the oil industry features against the background of political instability and overall crisis in the national economy.

Only long-term investment is likely to yield fruit in the oil industry, but long-term investments are regarded as a risky business in a politically unstable country. Besides, in order to invest in the oil as well as other industries, Western business demands preferential treatment which until recently was ruled out by Soviet law. A few months ago the Soviet government granted preferential treatment to some Western companies—Chevron, which has a hand in the development of the oilfields in the republic of Kazakhstan, and the joint venture set up with the participation of Texaco to prospect and develop fields in the Soviet north. Chevron, for one, expects a net profit of \$50 billion.

Late last month the Soviet parliament passed in the first reading the long-due bill on foreign investments, under which fully foreign owned companies would be legally entitled to do business in the Soviet Union and withdraw their profits to their own home countries. Foreign enterprises in this country would, under the bill, pay lower taxes than Soviet firms and the bill would guarantee their legal protection. Experts feel the enactment of that bill and better understanding between the Soviet republics and the central authorities would stimulate Western interest in Soviet industries, including oil production.

Agro-Industry Compensation Resolution Printed

PM0406103091 Moscow PRAVDA in Russian 1 Jun 91
Second Edition p 2

["USSR Cabinet of Ministers Resolution No. 313, 31 May 1991: On Compensation in 1991 for the Additional Expenses of Enterprises and Organizations in the Agro-Industrial Complex in Connection With the Price Reform"]

[Text] With a view to compensating for the additional expenses incurred by enterprises and organizations in the agro-industrial complex and peasant (private farmers') farms in connection with the increase in wholesale and retail prices and creating economic conditions to ensure stable work on their part, the USSR Cabinet of Ministers resolves:

1. It is deemed expedient from 1 July 1991 to exempt enterprises and organizations in the agro-industrial complex from payments into extrabudgetary funds for economic stabilization which they make through social insurance contributions.

Proposals on amending the relevant provisions of the decree on this matter are to be submitted to the USSR president.

2. The proposal of the USSR Ministry of Economics and Forecasting, the USSR Ministry of Agriculture and Food, the USSR State Committee for Purchases of Food Resources, and the republic governments is to be adopted, namely to switch to a system whereby kolkhozes, sovkhozes, other enterprises and organizations in the agro-industrial complex, and peasant (private farmers') farms sell to the state at contract prices poultry, eggs, wool, and raw hides beginning 15 June 1991, and unprocessed cultivated and native tobacco and tea beginning with this year's harvest. The processed products are to be sold on an similar basis.

3. The proposal of the USSR State Committee for Purchases of Food Resources, supported by the republics, to reduce prices for mixed feed sold to kolkhozes, sovkhozes, and other consumers by an average of 30 percent beginning 15 June, is to be adopted. The difference between the new prices and the release prices formerly in operation is to be made good for state mixed feed industry enterprises out of budget resources on the scale and according to the procedure determined by the republic governments.

4. It is noted that in a number of regions the question of sources of finance for expenses associated with compensation payments to workers because of the increase in retail prices has not been resolved. As a result many farms find themselves in a difficult financial position and are not making the said payments on time.

The USSR Ministry of Finance, in conjunction with the republic governments, is to adopt urgent measures to make good to kolkhozes (including fishery kolkhozes), sovkhozes, and other agricultural and servicing enterprises and organizations in the agro-industrial complex their expenditure on compensation payments in the amounts adopted in the republics.

5. Kolkhozes (including fishery kolkhozes), sovkhozes, and other agricultural enterprises and organizations are to be permitted to sell up to 30 percent of agricultural output at contract prices, while procurement organizations may purchase this output as part of the quantities stipulated in forward contracts.

It is stipulated that the delivery by procurement and processing enterprises and organizations of produce purchased at contract prices to republic and union stocks and also to the local supply network is to take place in proportion to the volume of deliveries of this produce to the said consumers [sentence as published].

6. It is deemed expedient to compensate kolkhozes (including fishery kolkhozes), sovkhozes, and other enterprises and organizations in the agro-industrial complex for the increased cost of capital construction arising from the republics' introduction of coefficients of recalculation of the estimated cost of construction in excess of

the sum allowed for in the new purchase prices for agricultural produce. With a view to ensuring that compensation reaches its target, republic governments are recommended to implement it by allocating to enterprises and organizations in the agro-industrial complex direct budget appropriations to cover the actual volume of construction work as it is carried out.

7. In the interests of strengthening the social and production base of kolkhozes (including fishery kolkhozes), sovkhoses, and other agricultural enterprises and organizations, it is established that sales tax payments into the budget are to be reduced by the sum of the sales tax paid for material and technical resources (operations, services) used for nonproduction needs or for the acquisition of means of production classified as fixed capital.

8. Republic governments, in conjunction with banks, are to resolve questions of granting privileged credits to kolkhozes (including fishery kolkhozes), sovkhoses, and peasant (private farmers') farms that are in urgent need, for the acquisition of material and technical resources, feed for livestock and poultry raising, and the fulfillment of the most important agricultural operations.

9. The attention of leaders of enterprises and organizations producing material and technical resources for the agro-industrial complex is drawn to the impermissibility of diktat in relation to rural commodity producers, the exploitation of a monopolist position in order to inflate prices, and widespread instances of extortion of scarce agricultural produce. Such instances run counter to the work being done by the USSR Government to stabilize food supplies.

Republic governments are to increase exactingness as regards compliance with the established procedure for pricing and the application of prices and tariffs, and to hold officials strictly accountable for violations of state price discipline in the course of deliveries of material and technical resources to the agro-industrial complex.

State pricing organs and price monitoring organs (in accordance with their competence) are to make full use of the right granted to them to overrule excessive prices for output supplied to the agro-industrial complex, including contract prices. In case of the gross and repeated violation of pricing procedures, enterprises and organizations are to be stripped of the right to apply contractual and independently fixed prices and tariffs. When enterprises and organizations set excessive prices for output, recalculations are to be carried out with the consumers of output, the unlawfully obtained profit is to be confiscated from suppliers and paid into the budget, and a fine is to be exacted according to established procedure.

10. It is noted that the USSR State Committee for Statistics supplies information on changes in the correlation of purchase prices for agricultural output and wholesale prices for industrial output without proper analysis and insufficiently promptly. This makes it impossible to adopt appropriate measures in good time to maintain price parity.

The USSR State Committee for Statistics is to be required to introduce, from the second half of 1991, a system for quarterly state accounting of changes in the price levels for agricultural and industrial output. The USSR Government is to be presented with the information together with an analysis of the reasons for the disproportions that arise in exchanges between agriculture and other sectors of the national economy.

11. The USSR Ministry of Automotive and Agricultural Machine Building, the USSR State Committee for Machine Building, and the USSR Ministry of Agriculture and Food are to implement concrete measures to improve the quality and reliability of the agricultural equipment produced, so as to ensure in the near future an increase in its operational life by at least two years. The question of meeting the needs of the agro-industrial complex for spare parts is to be examined without delay, with a view to preventing equipment from standing idle due to shortages of spare parts.

The USSR Ministry of Economics and Forecasting and the USSR Ministry of Finance, with the participation of interested organizations, are to submit to the USSR Cabinet of Ministers in the fourth quarter of 1991 proposals on amending norms for depreciation allowances for agricultural equipment taking into account the increase in its running life.

V. Pavlov, USSR prime minister.

I. Prostyakov, USSR Cabinet of Ministers administrator of affairs.

International Trade Center Doubles Rent Prices

OW0406051191 Moscow INTERFAX in English
1500 GMT 31 May 91

[Text] Foreign firms have been notified that the rent for office space in the International Trade Center [ITC] in Moscow will double for those tenants who already have permanent lease contracts. They will have to pay 200-300 U.S. dollars per day starting August 1.

Representatives of foreign companies registered in Moscow have set up an organising committee which has yet to take a final decision on payments to ITC, a foreign businessman told IF [INTERFAX]. ITC has requested all its tenants to notify whether they agree or not to renew their leases until June 1.

The head of the the Hungarian economic chamber's Moscow office, Foldvari Andras, said to IF that one-time price increase by more than 40% were at variance [as recieved] with an internationally-accepted practice. It is those firms which have especially close long-time business contacts in the USSR that have been hit most by new rates, he stressed, adding that from now on he will have to pay for a square metre in Moscow ten times as much as the Soviet Chamber of Commerce and Industry pays for its office in Budapest. An "Interoffice" employee who asked not to be identified told IF new rates corresponded to "an average rent" in such cities as Paris or New York. Besides, as soon as the rent is raised tenants will be provided with a range of extra services such as "refurbishing of an apartment after the term of lease expires" and "a daily change of linen" etc.

Developments in Collective Agriculture Viewed*OW0306080791 Moscow INTERFAX in English
1800 GMT 29 May 91*

["Soviet Economy" feature entitled "Collective Agriculture in the USSR: Scale Still Broad," from "Business Weekly"]

[Text] In the Soviet agricultural sector collective and state farms along with mixed associations remain the main forces. In all they numbered 29,000, 23,460 and 6,565 respectively at the beginning of 1991.

Collective farms account for 169.5 million hectares of agricultural land (or 30.4% of the total) and state farms for 362.3 million hectares (64.9%). On average one collective farm consists of 6.2 thousand hectares and each state farm consists of 15.8 thousand hectares.

In 1991 as a result of the closing of loss-making farms the number of collective and state farms may fall by two to two and a half thousand.

Many collective and state farms are participants (shareholders) in mixed associations involved in the production of certain types of products or carrying out some other activity. Of these associations, 201 are involved in the fattening of pigs, 353 in the fattening of cattle, 9 in the fattening of sheep and goats, 32 in the growing of potatoes and vegetables and 50 in the production of food.

Recently the process of creating new formations in Soviet agriculture has been intensively developing.

	no. of associations		no. of member state and collective farms	
	1989	1990	1988	1990
agricultural combines	155	204	2748	3597
agricultural associations	128	225	1959	3444
agricultural firms	118	200	232	502
scientific production association	171	206	604	593
scientific production and agricultural systems	717	813	12,556	16,879

Agricultural combines include in addition to collective and state farms, 3,271 industrial, construction, retail and other enterprises, agricultural associations include 2,159 and agricultural firms include 207.

In 1990 the Soviet agricultural sector included ten thousand cooperatives, of which 5.5 thousand were occupied in the production of agricultural products.

Last year also saw the beginning of the process of creating the newest formations in agriculture; at the beginning of March 1991 the Soviet Union had witnessed 57 farms changes into associations of lease

holding enterprises, nine into associations of lease holders and 233 into cooperatives of lease holders.

Progress in Banking System in 1990 Analyzed*OW0306114391 Moscow INTERFAX in English
1800 GMT 31 May 91*

["Soviet Economy" feature entitled "Soviet Commercial Banks in 1990," from "Business Weekly"]

[Text] 1990 saw in the Soviet Union further progress toward switching to a two-tier banking system, a mushrooming of commercial and cooperative banks, and the start of incorporation and decentralisation of the specialised state banks (Agroindustrial Bank of the USSR, Industrial Construction Bank of the USSR, Savings Bank of the USSR.)

These developments are examined by Nikolai Domanov, chief economist of the Department of commercial banks of the State Bank of the USSR.

In accordance with the law "On banks and banking operations", the State Bank of the USSR has begun to devolve to the central banks of the union republics the powers of granting to commercial and cooperative banks the licences to conduct banking operations. These powers have been assumed by the central banks of almost all republics with the exception of Kyrgyzstan, Turkmenia and Armenia.

Commercial banks

	1989	1990		1991	
	01.01	01.01	01.01	01.03	01.05
RSFSR	24	138	1089	1150	1192
Ukraine	2	17	55	59	61
Belorussia	1	3	11	14	15
Kazakhstan	2	12	33	35	36
Latvia	2	6	10	10	10
Lithuania	1	4	7	7	7
Estonia	1	5	11	14	14
Moldova	-	1	14	14	18
Georgia	-	5	23	23	25
Armenia	2	3	10	14	18
Azerbaijan	5	19	20	21	21
Uzbekistan	1	9	17	17	17
Tadzhikistan	-	1	3	3	4
Turkmenia	-	1	1	3	3
Kyrgyzstan	-	1	3	3	3
USSR total of which cooperative banks	41	225	1307	1387	1444
	24	78	133	136	146

CREDIT-SIDE OPERATIONS OF COMMERCIAL BANKS. The coming of age of the new banking system has been accompanied by a growth in banking activities.

Total assets reported by commercial and cooperative banks in 1990 rose from 13.2 to 50 billion rubles.

Correspondent balances grew by 5.1 bln.rbl. (from 1.7 to 6.8 bln.rbl.) and the balance of the USSR State Bank reserve account increased by 1.6 bln.rbl. (from 0.2 to 1.8 bln.rbl.). This is a good basis for ensuring the stability and sufficient liquidity of the system of commercial banks as a whole.

The various types of credit given by commercial banks to enterprises, organisations and other banks, including factoring operations, expanded from 10 to 33 bln.rbl. The overall sum of credits extended was 32.1 bln.rbl., of which 24.3 billion (over 76%) was accounted for by short-term credits of less than a year's duration, 5.2 billion (16%) by medium- and long-term credits, and 2.6 billion (8%) by inter bank credits.

The short-term credits represented about 9% of the total sum of short-term credits extended by Soviet banks. Around 58% of residual short-term debts receivable by commercial and cooperative banks is owned to the banks of the RSFSR.

On January 1, 1991, the overdue short-term indebtedness of various branches of the economy to commercial banks reached 548 bln.rbl., or a mere 6% of the corresponding figure for the whole of the country's banking system.

The amount of debts overdue to commercial banks compared to the volume of short-term credits was on the whole somewhat higher than, for example, in the Housing and Social Construction Bank of the USSR (respectively 2.2% and 1.2%), but lower than in the Agroindustrial Bank of the USSR (2.4%) and the industrial Construction Bank of the USSR (5%)

This shows that commercial banks in the USSR focus above all on quicker-yielding short-term investments, and not on investments in and financing of long-range programs and projects.

Commercial and cooperative banks' investment in securities, state bonds and shares in other enterprises, banks and organisations has grown over the year by a meagre 580 mln.rbl. to 824 mln.rbl.

Around 85% of the credit-side operations of commercial and cooperative banks has been carried out by banks established in the Russian Federation, with the shares of Kazakhstan, the Ukraine, Belorussia and Estonia being respectively 3.6, 3.2, 2.4 and 1.4%.

DEBIT-SIDE OPERATIONS OF COMMERCIAL BANKS. The principal sources of the funds of commercial and cooperative banks are time deposits of enterprises, organisations and cooperatives. Their share in the

aggregate bank balance was 31% and their volume rose to 15.3 bln. rbl. (representing a 250% increase on 1989).

The funds held in clients' settlement and current accounts amounted to over 7 bln. rbl. at the end of 1990, or 14% of the overall bank balance (which is 6.5 times more than in 1989). Although the deposits of individuals have registered an almost five-fold increase over the year, their total amounted to only 222 mln. rbl. or 0.4% of the overall bank balance. The aggregate balance of the country's commercial and cooperative banks has experienced a sharp fall in the share of credits extended by other banks - from 31 to 22%. The overall volume of bank credits did not grow in the last quarter of 1990, fluctuating between 10 and 11 bln. rbl. This phenomenon is attributable to inter-bank credit becoming generally more expensive following an increase of interest rates by the State Bank of the USSR.

The main indicator of the performance of commercial and cooperative banks profit - grew 8.3 times to 746 mln. rbl.

Inter-Regional Exchanges Congress Set for 6 Jun

OW0306031491 Moscow INTERFAX in English
1500 GMT 31 May 91

[“Exchange News: Exchanges Congress to Consider Five Main Issues”]

[Text] The inter-regional association of exchanges due to meet for a three-day founding congress in Moscow on June 6 is expected to discuss the main issues of exchange operations, the association's priorities, rules as well as the election of its executive and control commission.

Mr. Aleksandr Morgunov of the organizing committee told an IF [INTERFAX] correspondent that applications for the congress would be accepted only from registered exchanges. By May 30, applications arrived for more than 120 exchanges, including those from Georgia, Armenia, Moldavia, and the Baltic republics.

Brokers from the United States, Japan and other countries are also expected to take part, including the officials of the Japanese Daiwa Security's European branch, America's Security Pacific and the Pacific branch of U.S. stock exchange.

Tin Plate Production Unit Rebuilds After Fire

LD0106060991 Moscow Central Television First
Program Network in Russian 0900 GMT 30 May 91

[From the “Television News Service” program]

[Text] Early in May a big fire took place at the tin plate shop of the Karaganda metallurgical combine. Our correspondent reports on the elimination of the aftermath of the fire.

[Unidentified correspondent] The vast shop which took almost 10 years to build burned down in practically 40

minutes. It is a pity that the accident was already predetermined by the design itself. The designer used a combustible material for insulation in the ceiling and walls which any strong spark could ignite. That is what happened. Poisonous smoke was added to the fire so that the firemen had an especially difficult time. But, fortunately, during the fire no one suffered.

Now, restoration of the shop is in full swing. It can be said without exaggeration that its output is being awaited throughout the country. After all, tin plate is used for the production of canned food. The combine produces more than half of all tin plate produced in the USSR.

We timed filming to coincide with the first success of the assemblers and builders. Right in the open one of the three tinning units started operating and the first flow of tin plate started coming off the conveyer.

[Begin recording] [S.Svichinskiy, general director] So far this is a small flow but I think that three and a half weeks from now this flow will increase and the losses incurred by consumers will be reduced to a minimum.

[M.Rezunov, engineer-in-chief of the Kazstalmontazh association] The pace of work in my experience, in any case, is unseen. The organization here was precise. People worked with inspiration, understanding the seriousness of the situation. The situation was altogether complex here. The task now is to build virtually a new shop on a tight schedule and in a short time. I think we are prepared for that. [end recording]

Scientific

Progress M-8 Docks With Mir Complex

LD0106113891 Moscow TASS in English 1129 GMT 1 Jun 91

[Text] Moscow June 1 TASS—The Progress M-8 unmanned freighter docked with the Mir space station at 12:45 Moscow time today.

The re-supply vehicle is attached to the station on the side of its air lock. The vehicle ferried fuel for the joint propulsion unit, equipment, new scientific equipment, drinking water, food and mail.

According to telemetry and reports by cosmonauts Anatoliy Artsebarskiy and Sergey Krikalev, the onboard systems of the Mir station are operating normally.

Amphibious Aircraft Ready for Air Show

LD3105100291 Moscow Central Television First Program Network in Russian 2150 GMT 29 May 91

[From the "Television News Service" program]

[Text] Taganrog aviators have created the new A-40 amphibious aircraft, which will obviously be a sensation at the Le Bourget air show.

[Chebotarev, caption-identified] This machine of almost 90 tonnes can quite aptly be compared with a light-winged seagull. It sets down tranquilly on the water, even with two-meter high waves. It takes off easily just as on concrete. The aircraft can fly non-stop over 5,000 km at a speed of 700 km/hour. If needed, it can drop its speed to 320 km/hour which is very important during survey and rescue work amid the ocean's expanses. That is what the aircraft is intended for. Besides being used for rescue work it may be used on patrol to guard the state borders and to extinguish fires. It is suitable for removing crews from submarines and for the replacement of ship's crews on the high seas. [video shows aircraft landing on choppy water; the aircraft settled on the surface of the water; the aircraft taking off from water]

At the beginning of June the aircraft will leave Taganrog and set course for Paris.

[Begin recording] [G.S. Panatov, chief engineer.] It is a unique aircraft and the only one in the world. It is the world's largest amphibious seaplane. Our design bureau has been following this path for many years and now we are ready to show it to the whole world. [end recording] [video shows aircraft moving along a concrete runway]

Baltic Republics

Attacks on Lithuanian Facilities Reported

Troops Block Supreme Council Building

*LD0306213391 Moscow Russian Television Network
in Russian 2000 GMT 3 Jun 91*

[Report by Juras Jankevicius of Lithuanian Republic television—recorded; video shows wreckage of portacabin, soldiers lounging on top of APC's, shot of two APC's on a country road, close-up of Lithuanian customs notice]

[Text] At 1300 today a border customs post at Medininkai was approached by seven APC's. Nothing had happened, however, by 1900 this evening. But there is reason to be concerned. After all, two customs sheds burned by the OMON [Special Purpose Military Detachment] have still not been removed. According to the soldiers, they were on their way to Belorussia, but ran out of gas. But why have two more APC's which have stopped outside another post some kilometers away also run out of gas? We will protect you from OMON, the soldiers joked. At the moment we are awaiting orders, they added. But the Lithuanian customs posts have their own protection. They are under guard of the Lithuanian police.

[Announcer] As you see, the situation in Lithuania is deteriorating. This is confirmed by a report we have just received over the telephone from our correspondent Juras Sinkevicius. By 2220, all the main approaches to the Lithuanian Supreme Council had been blocked off by troops. They are checking the documents of all passers-by. The number of troops is increasing.

Bridges, Other Sites Occupied

*LD0306214491 Vilnius Radio Vilnius Network
in Lithuanian 2050 GMT 3 Jun 91*

[Report by Virgilijus Cepaitis, Lithuanian Supreme Council deputy, from the Supreme Council building in Vilnius—live]

[Text] At the moment deputies are gathering at the Supreme Council. We received the first reports about armed patrols by Soviet armed forces appearing in the city while the provisional defense council was in session. These patrols took up posts on the bridges, at the Ministry of Internal Affairs, the airport, and at the approaches to the Supreme Council.

Attempts were then made to get in touch with the Riga Military District and with the Defense Ministry in Moscow, where Zigmas Vaisvila was told by the officers on duty that no orders have been given to Vilnius garrison and that they did not know anything.

True, some time later they phoned and explained that some extraordinary patrolling was taking place. This extraordinary patrolling could of course be called training; I should say, however, that it is a very strange

coincidence that when Mikhail Gorbachev is leaving for Oslo, certain strange military exercises are being carried out in Vilnius. We have had bitter experience, and we know what the outcome of this sort of thing is.

Soldiers have also been spotted at the Supreme Council. They could be clearly seen from here from our windows, we can see a vehicle with an inscription "People" on it on the other side of the Neris river. Armed soldiers are sitting in it; they are also detaining people.

True, at the moment Vilnius residents are already gathering at the Supreme Council buildings; we probably have more than 100 or even more than 1,000. It seems to me that the servicemen's activity has somewhat decreased at the moment because there are so many people around, and it appears that they find it less convenient to act.

The situation here in the Supreme Council is normal; we have been discussing what further actions should be taken, because the world has been informed about what is taking place; various news agencies have already reported this. It seems that the telemagazine (IZVESTIYA) from Moscow has already managed to report this.

[Announcer] Thank you very much. I hope that this time we will avoid bloodshed.

Further Details of Vilnius Activity

*LD0306215891 Riga Radio Riga Network in Latvian
2100 GMT 3 Jun 91*

[Text] [Announcer] We have just received from our Lithuanian correspondent (Laimonis Racins) a more extensive report about the development of the situation in Vilnius. We present a recording of the telephone conversation:

[Begin recording] [Racins] At Medininkai in the evening, at about 2100, after 2100, the armored vehicles set off. Before that there appeared [words indistinct] but it looked as if there were Lithuanian police there with automatic weapons, reinforcing the home guard, and they set off.

[Reporter Leja] That was at Medininkai border post?

[Racins] Yes; furthermore, after 2200, they started driving en masse in vehicles, and traveled without stopping from the northern suburb of Vilnius to Independence Square; the Supreme Council building is surrounded. Reinforcements have been arriving constantly up to 2300; that is, at 2310 there were still reinforcements coming, in a mass, (even) the army. The Internal Affairs Ministry building of Lithuania is occupied by soldiers, and the airport is surrounded as well.

At the Supreme Council building, employees of the Home Defense Department—defenders of the Supreme Council—are being detained. At 2310, the broadcast was interrupted and Landsbergis spoke. In a very upset voice, he called on the people for help, because their fate may be decided tonight. He said that the purpose of what is happening is not known.

Vice Premier Zigmas Vaisvila talked on the telephone to the command of the Baltic Military District. Well, as can be imagined, nothing can be achieved (?from all that), no agreement is said to have been reached. Yazov was called in Moscow. Yazov was not called to the telephone, because he had no [word indistinct] what Landsbergis has said. He was not called to the telephone, and Uskhopchik, the general of the Vilnius garrison, was asleep, and he was not to be awoken either.

So then, everything seems to be like the last time, like the January event; Gorbachev is away, he is off to Scandinavia, right? Everything is happening on the sly, and there is no [word indistinct]. So then, Landsbergis appears [word indistinct] and just calls on the people for help. After a moment it was interrupted. For 15 minutes the television screen was dark. At the moment the television is (?being revived). And that is all for the moment.

[Leja] Wait a bit—it is an attack, it appears, that has happened. Was there shooting with weapons?

[Racins] Nothing has been said about shooting. They just attacked and detained men of the home guard department and parliamentary guards.

[Leja] As soon as you know something new, call us.

[Racins] Right.

[Leja] Thanks. [end recording]

[Announcer] You heard a telephone conversation between reporter Ligita Leja and Laimonis (?Racins). We just found out from Baskers, leader of the public security committee, that the department is at the moment ascertaining the situation in detail. At the moment there are no disturbing reports from the Latvian customs department. We will report on developments in the situation.

Lithuanian Government Statement

*LD0306233691 Vilnius Radio Vilnius Network
in Lithuanian 2250 GMT 3 Jun 91*

["Statement by the Government of the Republic of Lithuania"—read by announcer]

[Text] Today, at about 2100 [1800 GMT], the Soviet Army's servicemen put up guards on various bridges in the capital, including those near the parliament building, at the police buildings, at intersections, at the Vilnius airport, and other strategically important objects. Not far from parliament, the military detained two former officials of the country's defense department and an official of the protection service of the Supreme Council. At about 2000, the leadership of the provisional defense committee was holding a meeting. At about 2300, Vytautas Landsbergis, chairman of the Supreme Council of the Republic of Lithuania, appeared on Lithuanian television. He read the following statement:

The Government of the Republic of Lithuania contacted the secretariat of Marshal Yazov, the officer on duty at

the general staff headquarters, and informed them in detail about the events in Vilnius. Contacts were established with the leadership of the Baltic military district, with General Kuzmin. Information was conveyed through the officer on duty and personally to him.

This was the statement by the Government of the Republic of Lithuania.

Landsbergis on 'Incomprehensible' Moves

*LD0306220691 Vilnius Radio Vilnius International
Service in Lithuanian 2100 GMT 3 Jun 91*

[Text] [Announcer Audrius Girzadas] Late at night, after 2300, Vytautas Landsbergis, chairman of the Lithuanian parliament, read the following statement on Lithuanian television:

[Begin Landsbergis recording] A real danger has arisen that Soviet troop units may attack the buildings of the Supreme Council and the government tonight. Several units of Soviet soldiers armed with machine guns are stationed around the government buildings, people are being arrested, and various attempts are being made to provoke clashes. The danger of new aggression and new victims has arisen, which the leadership of the republic has been trying to avoid at all costs.

This kind of behavior by the Soviets is more incomprehensible at a time when the consultative meetings are taking place.

The leadership of the Republic of Lithuania urges the residents to rally, be vigilant, and not succumb to provocation. [end recording]

[Girzadas] This was the message from the leader of the parliament to the people of the republic, which he delivered late tonight on Lithuanian TV.

Tonight, at about 2100, armed guards were posted by the Soviet military on some bridges in Vilnius, including the one close to the parliament buildings, at the police station, at road junctions, at the Vilnius airport, as well as other strategically important posts. Several officials from the home guard department and parliament defense department were arrested.

Leaders of the provisional defense (?committee) have been in session since 2000.

Vilnius 'Calmer'

*LD0306232291 Vilnius Radio Vilnius Network
in Lithuanian 2200 GMT 3 Jun 91*

[Statement by Virgilijus Cepaitis, Lithuanian Supreme Council deputy, in Vilnius—live]

[Text] I would like to report to you the latest news concerning what is taking place this moment which is already, thank God, 0100 in the morning. At the moment, the situation is calmer around the Supreme

Council and in Vilnius. Positions from some bridges and important locations have been removed; in some places, however, they still remain.

Riga Radio on Incidents

*LD0306234791 Riga Radio Riga Network in Latvian
2203 GMT 3 Jun 91*

[Unscheduled bulletin]

[Text] Esteemed listeners, at this time we usually say goodbye to you. Tonight, however, in connection with as yet unclear dramatic events in Lithuania, Latvian Radio will broadcast through the night. So, please listen: Latvian Radio's first program will be on the air throughout the night. Here in the studio with the latest information are journalists Ligita Leja, Raimonds Locmelis, and Karlis Vahstejns. In a moment, listen to their reports.

According to information at our disposal, right now Vytautas Landsbergis, chairman of the Lithuanian Supreme Council, is speaking on Lithuanian Television and Radio. But here in the Riga Radio studio at the moment are various reports from Lithuania describing the situation there. First of all, here is a report we just received from our correspondent, describing the situation in Lithuania about half an hour ago:

[Correspondent (?Laimonis Radzins)] At midnight [2100 GMT] I informed you that the broadcast on independent Lithuanian television was interrupted, and that for 15 minutes the screen was blank. After a quarter of an hour it came back to life; however, it was now the Kaunas studio broadcasting. Until midnight there were no news bulletins in Kaunas; they promised them at about 0100. So I sought direct contact with the Supreme Council and the Ministry of Internal Affairs. I found out that the situation had normalized. Evidently the residents of Vilnius have responded to Vytautas Landsbergis' call to come to the Supreme Council and at least be witnesses to the events. The Supreme Council was still surrounded by soldiers armed with automatic weapons after midnight, having arrived in cars with the well-known inscription LYUDI [Russian for people]. There is reason to believe that the arrival of the soldiers in armored vehicles inscribed with [word indistinct] at the Lithuanian customs posts on the Belorussian border was meant to divert the attention of the home guard department and the police from the main action. Also significant is the fact that USSR President Mikhail Gorbachev, as explained to Lithuanian Vice President Zigmantas Vaisvila, has already set off for Oslo to give his peace prize speech. But the fact that General Uskhopchik, commander of the Vilnius garrison, is sleeping at this moment, might indeed persuade us as to who is the real organizer of this action.

At the moment an additional session of the home defense continues at the Supreme Council, discussing how to act from now on. An important feature is that the Soviet soldiers' attack on the Supreme Council and its defenders has already been reported to the world's news

agencies. After midnight they were already calling Vilnius from Amsterdam, interested in whether there was anything new. But people are streaming into Independence Square to defend their parliament. By midnight there were at least 10,000 defenders of freedom there. At the moment it seems that the danger for tonight is over. Nearly all the detained home guardsmen from the northern suburb have been released.

[Announcer] You heard a report by (?Laimonis Radzins) from Vilnius. Well, something I can add is that evidently while the events started to unfold in Vilnius, Mikhail Gorbachev's jet was over the Baltic Sea on its way to Oslo. Let's wish him a good Nobel Peace Prize speech tomorrow!

Official Says City 'Quiet'

*LD0406003191 Vilnius Radio Vilnius Network
in Lithuanian 2330 GMT 3 Jun 91*

[Interview with Romualdas Ozolas, Lithuanian Supreme Council deputy and member of the Lithuanian Provisional Defense Committee, by announcer Algirdas Usas in Vilnius—live]

[Excerpt] [Usas] [passage omitted] Maybe we panicked unnecessarily. The night is passing; do we not exaggerate sometimes?

[Ozolas] I do not think so. We should be glad that something that could have happened, did not. At one time there was a serious moment because armed [words indistinct] appeared on the territory of the Supreme Council. Later, when [words indistinct] attempts were made to establish contacts with the leadership of the Soviet forces stationed in Lithuania [words indistinct], tension started decreasing. Around midnight we went to the city and looked around the entire zone of tension. I can say that at 0100 [2200 GMT] all soldiers were removed. Vehicles were driving around collecting soldiers at the bridges, main streets, and crossroads, and taking them back to the northern suburb. Currently it is quiet in the city. [passage omitted]

Landsbergis Comments on Benelux Document

*LD0306140391 Vilnius Radio Vilnius Network
in Lithuanian 0900 GMT 3 Jun 91*

[Question and answer session conducted by Lithuanian Supreme Council Chairman Vytautas Landsbergis at a Supreme Council news briefing held in Vilnius on 3 June—recorded]

[Excerpts] [Landsbergis] Yesterday I had the opportunity to [words indistinct] that over television—perhaps you heard, so there is no reason for me to repeat myself. I simply do not recall if I noted yesterday that the document prepared by the Benelux Council concerning relations with the Baltic countries is really a more extensive document, in truth, on relations with East European countries. Within it is an individual section devoted to the Baltic countries.

This is a characteristic evolution of, one may say, categories of East European states. Namely, the Soviet Union republics—that is one category; the Baltic states constitute another category; and the states no longer dependent on the Soviet Union, which are very clearly listed: Poland, Czechoslovakia, and Hungary—Romania and Bulgaria are not mentioned—but the first three are now closer to Western Europe, and that means to a united Europe, and they are in the attention of the Benelux countries. The next category after this is the Baltic states, and further along are the Soviet republics.

This is confirmation of a certain view, that is already sufficiently clarified, toward our status on this side of the Atlantic as much as on the other side.

[Unidentified journalist] Esteemed Chairman, how extensive a manifestation of moral and diplomatic support can be expected for Baltic states in view of Soviet aggression?

[Landsbergis] Such support manifests itself through mass information media commentaries. This has currently become very obvious. Moreover, questions are being raised by Western governments, which, apparently, often also avail themselves of nonpublic diplomacy. I think this contributed to the quiet weekend in Lithuania. Moreover, this also influenced the leadership of the Soviet Union, so that an explanation by the USSR procurator general would be released concerning the institution of proceedings against OMON [Special Purpose Militia Detachment]

[Unidentified journalist] The LONDON TIMES, President Landsbergis, will you be going to Poland this week to meet the pope, and do you plan to meet with Polish leaders? A follow-up question: There have been suggestions that a way out of the problem, the Polish dilemma in Lithuania, might be a treaty between Poland and Lithuania, guaranteeing certain rights for the Lithuanian minority in Poland and of the Polish minority in Lithuania. What is your response to this?

[Landsbergis] I would like to go to Poland today, when Pope John Paul II will meet with Lithuanians there. As far as the regulation of our relations with Poland is concerned [words indistinct] bilateral concern regarding the ethnic minorities. These questions have been discussed widely and in great detail, during meetings—these are already in their second year—and the joint declaration prepared by us concerning bilateral relations also defines minority rights and their guarantees.

We have also asked the Polish side to set forth its proposals on how it views Lithuanians' rights and guarantees in Poland. We have an approximate knowledge of how Poland views Polish rights and guarantees in Lithuania, since they presented us a memorandum some time ago, so we know, of course, [words indistinct], and we hope that we will also learn how Poland views guaranteeing the rights for Poland's (?Lithuanian community).

[Unidentified journalist] Esteemed chairman, the readers of our newspaper would probably be interested to learn—perhaps they did not all hear you speaking on television yesterday—what could be (?added) to the final basic result of your visit to Brussels to make it clearer? What results of your trip are the most valuable?

[Landsbergis] This is the start of cooperation with the Benelux countries, the society of the three Benelux countries, and at the same time, a recommendation has been made by the Benelux Council for each of the Benelux countries to take certain steps toward support for the Baltic states, or cooperation in the direct sense. There are proposals to open missions in the Baltic countries—of an informational nature, of course, for the time being. There are also some proposals by Belgian Foreign Minister Eyskens—I talked about this yesterday. He mentioned support for our efforts to participate in the Helsinki process [word indistinct] Europe, and also in the Berlin conference, which is to take place in June.

All these matters will become concrete. That will provide an opportunity for the Western states, the Benelux states, to express themselves with one position or another at an international forum. Meanwhile, we plan to begin specific cooperation by inviting their delegations and experts to Lithuania and the other Baltic countries, and to make more specific agreements. These will be [word indistinct] first preliminary meetings. One good solid example of this is how the Baltic states [passage indistinct] [passage omitted]

TASS Notes Baltic Leaders' Trip

LD0306120691 Moscow TASS in English 1147 GMT
3 Jun 91

[By TASS correspondent Kazys Uscila]

[Text] Vilnius June 3 TASS—"We will never abandon our rights to independence," Lithuanian President Vytautas Landsbergis said in an address aired on independent Lithuanian television late on Sunday night.

Landsbergis focused on his recent visit to Brussels together with Latvian and Estonian Presidents Anatolijs Gorbunovs and Arnold Ruutel. They took part in the work of the Benelux inter-parliamentary council. Landsbergis said the visit was "very important."

Landsbergis paid much attention to relations with the Soviet Union, claiming that "the three Baltic states are facing the Soviet Union's unwillingness to hold talks."

He said that "like in January, there existed a real threat of a coup in Lithuania on the part of the Soviet Union, which could threaten the Soviet Union itself." Landsbergis called for "mutual understanding and unity" between residents of the republic.

Landsbergis Evaluates Report on Jan Events

*LD0306200191 Vilnius Radio Vilnius Network
in Lithuanian 1900 GMT 3 Jun 91*

[Summary] The findings of the USSR Procuracy on the January events in Vilnius were made public today. Vytautas Landsbergis, chairman on the Lithuanian Supreme Council, commented: "It is hardly possible to compromise any more the office of law and order and the state in which this office of law and order is called the General Procuracy. The truth and law have no value there. There are no indications that some kind of evolution toward a state governed by law and order is even taking place. Even the journalist Nevzorov, producer of the false propaganda paid for by the state, could be procurator general in this kind of Soviet Union. Now this job is done by the USSR General Procuracy. The falsehoods they produce are as bold and boundless as is the crime against humanity which has no prescription."

Soviet Findings Refuted

*OW0406074591 Moscow BALTFAX in English
1500 GMT 3 Jun 91*

[Text] The investigator of the Lithuanian procurator's office who conducts inquiry into the events of January 13, Juozas Gaudutis, said to BF [BALTFAX] the conclusion of the Soviet procurator's office that the majority of those killed in Vilnius had been allegedly shot dead by shots from behind and from above was ungrounded. He said that none of the Soviet procurator's office staff members took part in the forensic examination during the autopsy of the corpses. Even an appropriate investigation group had not been set up by the prosecutor's office by that time. This group arrived only for the funerals, he said.

Mr Gaudutis told BF that representatives of the Soviet military procurator's office attended the autopsy of KGB lieutenant Viktor Shatskikh's body who, according to the findings of the Lithuanian's procurator's office, was indeed killed by a shot in the back.

According to Mr. Gaudutis, both the procurator's office of the Lithuanian SSR [Soviet Socialist Republic] (which acts in the territory of Lithuania along with its independent Lithuanian counterpart) and the military procurator's office of the USSR "took no interest" in the corpses.

The spokesman for the Soviet procurator's office, Aleksandr Zvyagintsev, told BF that "investigators from the procurator's office of the USSR had not been allowed to examine the corpses." He declined to comment on information sources used by the Soviet procurator's office investigators to find out what kind of wounds the dead bodies had.

Representatives of the investigation group formed by the Soviet procurator's office who presently stay in Vilnius also declined to give any explanations on the subject.

The fact sheet sent by the Soviet Procurator General Nikolay Trubin to the Supreme Soviet of the USSR on

Monday stated that none of those who died in Vilnius on January 13 was killed by the military: They were shot dead from behind and above. It was also stated that several people were run down not by tanks but by cars.

Defense Officials on Protecting Lithuania

*LD0306161291 Vilnius Radio Vilnius International
Service in Lithuanian 2100 GMT 1 Jun 91*

[Report by Audrius Matonis]

[Text] As previously reported, last Monday a closed session of parliament adopted a resolution assessing the violence perpetrated by the Black Berets along the Lithuanian border.

Among other points, the document notes that every Lithuanian citizen and official has the constitutional right to employ legal means in self-defense and the defense of his state.

The Lithuanian Government is directed to strengthen the defense of the state border and to restore and consolidate the destroyed border and customs posts. The border defense services have already restored the posts that were ravaged last weekend, and republic officials continue to be on duty there. It is not altogether clear, however, whether the border guards will make use of their constitutional right to defend Lithuania's statehood with arms. If so, then when and under what circumstances?

According to Jonas Liaucius, chairman of the parliamentary commission for the country's defense and internal affairs, deputies adopted such a possibility on Monday.

[Begin recording] [Liaucius] Defense of the state border is an indisputable function of a state. This is carried out by officials. It is the right of self-defense of officials who are guarding the border, who are stationed at the border control posts. It is legalized by the provisional law governing border service. Paragraph 17 of this law indicates that officials in the border services have the right to employ special means—other means—including firearms. In addition, on 28 February, out of 91 deputies, 90 voted in favor of amending the second section of Paragraph Two of the provisional basic law of Lithuania, which states that the citizens of the Republic of Lithuania have the right of self-defense whenever their rights and interests are violated and when there exists a threat of danger to Lithuania's sovereignty and territorial integrity. It thus appears that sufficient legal acts exist. The executive government, the country's defense department included, and the government have all juridical means at their disposal to carry out this very important state function of border control and protection.

[Matonis] Can there be an expectation that following adoption of this document, should the events of last week be repeated—that is, if the Soviet Union's Black Berets again commence destruction of the Lithuanian border

control points—can it be expected that the country's defense department officials will resist those attacks by use of arms?

[Liaucius] As I noted previously, this is a prerogative of the executive government. I can state my opinion as a deputy, however, that those acting should avail themselves of that right on a very individualized basis and in a very prudent manner. After all, much more can be gained by withdrawing in time. Even more can be attained by the use of certain maneuvers than through headfirst, imprudent means of resistance. This is true especially in view of the fact—it is no secret—that the Special Purpose Militia Detachment [OMON] forces are technically equipped and have ammunition in keeping with the latest upgrade of the Soviet Army. Therefore, in comparing technical capabilities, we can not attain superiority, but a balance may be achieved through other, tactical maneuvers. Therefore, I support just that sort of differentiated, prudent use of this right.

[Matonis] In other words, having [word indistinct] that interpretation of that resolution, does not reject the possibility that Lithuanian officials may use arms in the face of attacks?

[Liaucius] There is only an affirmative answer. There has been enough mockery, and those gangs must understand that.

[Matonis] Saulius Peceliunas, deputy chairman of the parliamentary commission for the country's defense and internal affairs, is also of the opinion that the deputies have accomplished all necessary juridical decisions and that it is now up to the government to deal with the method of their implementation.

[Peceliunas] It will be another matter. The government will have already decided that arms should be issued to all individuals who have the right to use them. I still think that these posts should not only be reinforced, so to speak, from an engineering standpoint, but that the psychological strengthening of those individuals would be totally different, if they had something to repulse such attacks.

[Matonis, interrupting] In brief then, you would urge the government to...

[Peceliunas] To decide.

[Matonis] To decide.

[Peceliunas] Yes, I would urge them to make the decision, because for those individuals to continue being in such an ambivalent situation—we went out to the border area and we saw the mood of these individuals—they are determined, even for the duration of this period of incision, to remain unarmed and, if this is indeed required by Lithuania, to remain, to take that target's place. However, this cannot continue for a long time.

[Matonis] I asked Romualdas Ozolas, member of the provisional defense leadership of Lithuania, if the resolution adopted at the beginning of the week on Black Beret

attacks signifies that the attackers will be responded to by arms, if the violence repeats itself near the border?

[Ozolas] The adopted document also does not specify that arms will be employed if last week's action is repeated. This document does not automatically give the right to the border guards and men of the country's defense department to use arms as a means of resistance. An appropriate resolution will have to be adopted to allow them to do this.

This resolution should be drawn up by the Government of Lithuania and the appropriate Lithuanian defense institutions. This right is also possessed by the provisional defense leadership.

[Matonis] You are a member of the provisional defense leadership. In your opinion, are such conditions now present? Is the situation not yet sufficiently tense and dangerous, so that Lithuanian officials should not yet be defending themselves with arms?

[Ozolas] To resist or not to resist in the face of violence? Such a decision [words indistinct] that document extends the right to make [word indistinct] individually, to every individual under attack. Individually. This does not mean, however, that this individual begins to act as an official defense functionary, or that this can be construed as an initiation of military resistance in Lithuania against some outside military force.

As to resistance by defense institutions of the Republic of Lithuania, this can only be proclaimed by a directive of the government of the defense leadership.

[Matonis] What changes must transpire so the defense leadership can adopt a decision to resist by use of arms?

[Ozolas] Without any doubt, there would have to exist a confirmation by the other side, that is the Soviet Union, that they are implementing such and such action, which we in turn could consider as the inception of assault actions.

[Matonis] For officials to exercise their right of armed self-defense they must have arms at their disposal. In the meantime, the country's defense personnel, on duty at the border posts, do not carry arms.

[Ozolas] OMON machine guns cannot be repulsed with hunting rifles and small caliber guns. I am among those who constantly point out that we are impoverishing our country's defense structures, and that we are obliged to outfit them with arms.

It is my understanding that this matter should be sanctioned by parliament, and that the government should be authorized as soon as it can implement the government program of the Republic of Lithuania.

The government should contact foreign countries requesting that they sell us a number of weapons, appropriate to our needs, and we should entrust them to our men so that they can have them freely available under

war conditions, brought on by the aggressive other side, for self-defense as much as for state defense purposes.

[Matonis] In a meeting with journalists last week, Audrius Butkevicius, director general of the country's defense department, did not conceal the fact that he does not totally favor Prime Minister Gediminas Vagnorius' directive against the use of arms in border defense. Romualdas Ozolas thinks that the prime minister's decision was wise.

[Ozolas] The conditions that exist for defense are minimal, and the men cannot, in reality, confront the armed-to-the-teeth OMON members. That, however, is not the most important side of the problem. I fully understand Audrius Butkevicius, who, as the leader of our armed forces, wishes to have the possibility to act at full capacity. That is, to use weapons when that becomes necessary. I can fully understand that his situation, in view of such humiliation of his men, is not to be envied. I think that we may be forced to experience even greater humiliations—well, let us be very [word indistinct]. It is necessary to have self-esteem. One must also understand, however, when an insult to self-esteem becomes a weapon for the other side, I think that the prime minister's decision is correct and I support his position even though I fully comprehend the reaction by Audrius Butkevicius.

[Matonis] We have learned that several days ago the government discussed a document concerning the issuing of arms. Officials of the country's defense department, however, are today still standing border guard duty unarmed. This has been confirmed for Vilnius radio by heads of the department.

On the other hand, several days ago, seven border control posts were placed under guard of the special police group, Aras [eagle], and it is quite well armed.

It is hardly possible to guess currently when Lithuania will resist the border bandit attacks by the use of arms. Perhaps it will be possible to avoid conflict after all. In any event, preconditions have been established for retaliatory actions. [end recording]

RSFSR

Russian Privatization Program Submitted

LD0206174291 Moscow TASS International Service
in Russian 1340 GMT 2 Jun 91

[Report by TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow, 2 Jun (TASS)—“The main aim of the privatization of state property is not to create rich people, but to stimulate economic development and growth in labor productivity, providing workers with motivation.” This is the credo of Mikhail Maley, deputy head of the Russian Government and author of the government privatization program on the territory of the largest republic of the USSR, which he expounded in an interview with this TASS correspondent.

According to specialists' calculations, to get our economy out of its torpor it is necessary to privatize not less than 20 percent of what is at our disposal during this and next year, Mikhail Maley stated.

Of the 150 million citizens of the Russian Soviet Federated Socialist Republic [RSFSR], only 40 million are direct producers of material values. It is necessary to promote their labor. For “if they don't produce, it will be impossible to provide children, pensioners, teachers, or soldiers with goods.”

Therefore, the Government is putting forward “a start version which is equal for the whole population, with priority for labor collectives.” Each of the republic's citizens, from a babe in arms to a very old man, will receive payment of 7,000 rubles [R]. In the first stage, the state privatization program will encompass food and light industry, transport, construction, and trade. Its volume is R200-250 billion. The population will have R1,200 billion in funds in the form of named checks, that is, six times more.

Thirty percent of all shares of privatized enterprises will be handed over gratis to the labor collective, including pensioners who have worked there. The remainder are redeemed with named checks; moreover, priority is again given to the members of labor collectives who can also use the checks of members of their families. Shareholders are guaranteed 10 percent of dividends.

During the second stage, a gradual transfer is proposed to market relations: In closed joint-stock companies—and the sale of shares to other persons within three years will be banned—Western specialists will carry out an evaluation of the main funds of enterprises in dollars with the issuing of a certificate. After this, the open sale of shares by enterprises is proposed for approximately 40 percent of their funds for rubles and any currency at USSR fund exchanges.

In the third stage, the small enterprises linked into the consortia will have a third issue of open shares to be placed on the stock exchanges of the West.

As for persons not covered at the first stage, they will be offered shares in highly profitable industries, where the labor forces are not in a position to buy out their enterprises completely (for example, small motor vessels, planes, airports, and so on). “We will not leave a single person with empty pieces of paper in their hands,” Mikhail Maley says. When completed, it is planned that state property in Russia will account for no more than 30 percent of the total amount.

Yeltsin, Gorbachev Relations 'Absolutely Normal'

AU0306151291 Prague LIDOVE NOVINY in Czech
1 Jun 91 p 1

[Interview with Boris Yeltsin, Russian Soviet Federated Socialist Republic Supreme Soviet chairman, by Jaromir

Stetina; in Tula, date not given: "Absolutely Normal"—first paragraph is LIDOVE NOVINY introduction]

[Text] Boris Yeltsin, Russian Soviet Federated Socialist Republic Supreme Soviet chairman, is continuing his preselection trip through Russia. In the oblast city of Tula, at a meeting of rectors of Russian universities, he replied to a question from LIDOVE NOVINY on how he views the possibility of signing a Union treaty and what his opinion is about the secession of some republics from the USSR:

[Yeltsin] I believe that those who decided to secede will secede. They will not sign the Union treaty. Ten republics intend to sign the Union treaty. With the participation of the Soviet president, active work is being carried out in the Federation Council Preparatory Committee that includes these republics and the republics that are their parts. The village of Novo-Ogarevo is well known to everyone today. A working group holds a session in Novo-Ogarevo twice a week or even more often. On 3 July I am going back there for 24 hours to participate in its work. We will discuss the treaty, section by section. As a representative of the Russian Federation and of the Supreme Soviet, I try to do a constructive job during these meetings.

Of course, all our positions are not identical with the president's, yet I believe we will gradually find a common language regarding these problems and problems in the declaration of 23 April. Between us, Gorbachev and Yeltsin, there are absolutely normal working relations.

PRAVDA Readers React to Yeltsin Interview

PM0306104591 Moscow PRAVDA in Russian
27 May 91 Second Edition p 2

[N. Kozhanov article: "Chance Missed? Notes on an Interview"]

[Text] The discussion published in IZVESTIYA the other day (23 May) with B.N. Yeltsin, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet and a Russian presidential hopeful, did not go unnoticed by readers. Our editorial office has been constantly receiving calls from readers asking questions along the lines of "What do you think of...?" or "Don't you think that..." and so forth. Judging by the questions, people were particularly "struck" by the part of the interview where Boris Nikolayevich talked about his attitude to the CPSU and predicted its future.

So then, did the CPSU have a real chance to be the party of reform and the vanguard of perestroika, and—if so—has it missed out? It is interesting to note that, unlike his very scathing and unambiguously negative statements of the recent past, B.N. Yeltsin attempted this time to reply in a more balanced fashion and without any clearly expressed prejudice. Thus, for instance, one could not seriously reject out of hand his ideas about some of the party's lost opportunities. The threat he mentioned of the breakup of the CPSU, should events develop in a certain way, is

entirely realistic. Just which forces would provoke a split is another matter. But that is a separate subject.

Unfortunately, the interviewee was unable to avoid certain hackneyed, old-fashioned clichés along the lines that the party leadership allegedly did not work out beforehand the "scientifically substantiated strategy or tactics of perestroika." And indeed, it would be amusing to imagine the Politburo and Central Committee (of which B.N. Yeltsin was a member, incidentally) five or six years ago jointly annulling Article 6 of the Constitution and launching plans for denationalization, privatization, the development of private ownership, and the organization of private farms.... I do not think that this was what Travkin, Popov, or Sobchak were doing at the time. No, few people knew them at the time. Unfortunately, the ins and outs of changes that are revolutionary in their nature and their scope are, clearly, hard to predict and—however much theoreticians may try—most often things are decided by the well-known dictum: "Let's start fighting first, and then see how things are going." Perhaps even this is debatable, but it seems that at such fateful moments history prefers to start over, without any prompting.

History is history, but you cannot get by without plans or forecasts. Just what fate does Boris Nikolayevich predict for the Communist Party? Here, too, it seems, not everything is hopeless. Alongside a "long-term breakup" he also sees certain "interesting shifts"—a certain light at the end of the tunnel, so to speak. And he links this exclusively to the movement announced at the Third Congress of Russian People's Deputies by Colonel A.V. Rutskoy, who is now B.N. Yeltsin's running mate. We probably cannot make do without a direct quote at this point:

"I think," Boris Nikolayevich stated regarding the Rutskoy movement, "that it opens up interesting prospects for many Communists who have carried out their duty honorably for many years, but had no opportunity to bear responsibility for the party as a whole or for its leadership. Wanting to divorce themselves from the accretions of the past, these Communists were at the same time unable to just up and leave the party so easily. Some were held back by tradition and discipline, while others—this, too, needs to be realized—were bound to the party by their position. The version we are talking about is interesting because it helps these people to work out where they stand and embark on the path of renewal...."

What aspect of this statement draws your attention, in my view? First, B.N. Yeltsin's admission that, whatever the circumstances, Communists who had honorably carried out their duty could not "just up and leave the party so easily." The respectful reference to people who are "bound to the party by their position" can also be noted. Boris Nikolayevich was undoubtedly expressing a personal motive here. It is no accident that in the same interview he also recalled his 30 years of experience in the party, 20 of which he devoted to leading party work. After all, it was the party that originally noticed the energetic construction engineer and placed him in high party and state positions. For some reason it is only now

that Yeltsin is giving this its due. It must be admitted that this gesture is quite bold under today's circumstances. Particularly against the backdrop of the behavior of some of today's ultraradicals, who until quite recently, as zealous "partocrats," swore allegiance to the CPSU, but now, having had a sudden change of mind, are decrying it at every turn and demanding the immediate trying of this "criminal organization...."

But this is incidental. I think there are grounds for serious doubt about declaring that the "Rutskoy movement" is virtually the only chance for the CPSU's salvation and renewal.

Incidentally, readers had a particularly large number of interpretations and suggestions about this part of the interview. Some of them, for instance, saw the sudden emergence of the "Yeltsin-Rutskoy" alliance as some kind of cunning piece of calculation, which the "Democratic Russia" members want to use to allegedly ensnare simple Communists in their "democratic trap," elect their "own president," and later freely dictate their will to a "duped" country and party. Others assume that the "recruiting of the colonel" is evidence of a desire on the part of the political opposition to "make contact with the military-industrial complex" and thereby decide the question of power in its own favor. There are also people who sincerely welcome the newly emerged grouping and its alliance with Yeltsin as a goodwill gesture....

Is it worthwhile conjecturing? It seems to me that only one thing can be said for certain: The CPSU has its own line and its own platform which was collectively worked out at the 28th congress and provides sufficient scope for Communists to apply their efforts in the current crisis situation. And I think it would be simply absurd for the same Russian party members to suddenly change their guidelines and get trapped in some kind of narrow movement, however well-intentioned it may be.

And do we know very much about the aims, tasks, and real aspirations and actions of this newly emergent grouping in the Russian parliament? Judging by A.V. Rutskoy's rambling and, quite frankly, rather confused speech at the recent RSFSR Communist Party Central Committee plenum, the movement's only concrete initiative has probably been the organization of a congress of entrepreneurs. Clearly, this is useful, but.... It perhaps only has an indirect bearing on the party's functions of ensuring the social protection of working people. Incidentally, what is the point of conjecturing once again? Time will tell.

Well, as far as the chances for the CPSU are concerned, I for one am convinced that its chances will remain and continue for as long as the party serves the people's interests and has in its ranks Communists who are capable of original thought and action. Its chances will remain and continue for as long as there are people who believe the party leadership and are prepared to support it on the path of renewal and reform. After all, ultimately

the party's chances are to a definite extent the chances for consolidating the people's forces and succeeding in reviving the country.

Yeltsin Campaigns on Karelia Business Trip

PM0306100391 Moscow PRAVDA in Russian
30 May 91 Second Edition p 2

["Russia Before Election" report by correspondent A. Minayev: "The Same Condition for All?"]

[Text] Karelian ASSR [Autonomous Soviet Socialist Republic]—B.N. Yeltsin, the current chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet and now a contestant for the Russian presidency, has long-standing ties with Karelia. It was precisely this autonomous republic's Communists who elected him a delegate to the 19th All-Union Party Conference. At that time, several years ago, when speaking at an oblast party committee plenum, Boris Nikolayevich talked about his special feelings for northerners and the need to give priority help to people living in severe conditions.

It is no accident that the Fourth Congress of RSFSR People's Deputies had hardly ended when Yeltsin immediately headed for the Kola peninsula and then Karelia. He himself and the people accompanying him are describing this trip as an activity that is exclusively of a business, rather than a preelection, nature. But it is nevertheless difficult to speak in unequivocal terms about the trip. For example, during his meetings with working people, skilled workers, and specialists at the "Kondopogabumprom" Production Association, Boris Nikolayevich made almost no mention of his presidential election program. He zealously asked about the Kondopoga people's labor conditions and everyday life, about their wages and food supplies, and about the chances of giving more paper not to the PRAVDA, IZVESTIYA, TRUD, and MOLODAYA GWARDIYA publishing houses or to other Union printing bases, but first and foremost to Russian newspapers and journals.

"All contracts that have been concluded with Russia will be fulfilled by us in full," V.A. Federmesser, general director of the "Kondopogabumprom" Association, stated explicitly. "We are now starting to install a 10th paper-making machine—a very powerful one—which will produce around 200,000 tonnes of paper a year. Help us to get it in production as quickly as possible: Cement, metal structural items, and many other resources are needed."

"Transfer to Russia's jurisdiction," Boris Nikolayevich stipulated, "and we will help you from that moment."

It is relevant to say that Boris Nikolayevich was evidently forgetting something here. Because it is already several months since the former USSR Ministry of the Timber Industry passed to the RSFSR, and the Kondopoga Pulp and Paper Combine is a subdivision of that ministry. What more is needed? But there is too little help from the Russian Government, although representatives of the

Karelian timber complex and the paper industry workers of Kondopoga and Segezha have been to Moscow several times and have sat at the negotiating table with B. Yeltsin, I. Silayev, and his deputies. And now Yu. Skokov, first deputy chairman of the RSFSR Council of Ministers, who is accompanying Yeltsin, doggedly reiterates: "We will send resources and finances to the people of Kondopoga only on condition that they promise to fully supply our Russian paper requirements."

"That's enough," Yeltsin stopped Skokov. "We have come not to haggle but to solve questions fundamentally. Life is not sweet for the paper industry workers either...."

Talk began on how to help Karelia as a whole. The autonomous republic's leaders have already been working for six months in the RSFSR Government to finalize a document of really fundamental importance. During his visit Boris Nikolayevich signed an instruction "On Extending Economic Autonomy and Creating the Conditions for the Karelian ASSR's Accelerated Development." What does this mean?

During the years 1991-1993 the deductions from income created in Karelia's territory are to remain at the autonomous republic's disposal. There will also be more autonomy in the development of relations with foreign partners and export-import operations, and the entry and exit procedure for foreigners moving into and from Karelian territory and for inhabitants of the republic moving to other countries will be changed. Additional financial and hard-currency reserves will be channeled into developing consumer goods production and the service sector. In short, it is a document of substance, even if it is called an instruction. The only trouble is that in this country even an RSFSR Supreme Soviet resolution is fulfilled almost nowhere now, while absolutely everyone treats instructions like butterflies that are here today and gone tomorrow.

It must be said bluntly that Yeltsin showed particular interest in "Stroitel," the country's largest industrial road cooperative which is located on Karelian territory and which is a collective numbering over 1,000 people, working at state rates. But, despite this and crippling taxes, "Stroitel" can display real models of labor. Output per worker there is three-four times greater than in state road construction organizations, and the quality of the roads is considerably higher.

"We ask you to rid us of exorbitant taxes and grant the concessions prescribed for organizations working by the tour-of-duty method," V.I. Tumanov, chairman of the "Stroitel" cooperative, begged. "Otherwise we will be suffocated and the collective will collapse."

Bulldozer operators, truck drivers, tractor drivers, and construction workers asked Yeltsin to develop such cooperatives, and then Russia, too, would have roads. Help for the "Stroitel" collective was promised.

In the evening in the sociopolitical center building Boris Nikolayevich met with representatives of Petrozavodsk

City labor collectives. Here, despite the trip's "purely business nature," the lion's share of the time was devoted to expounding his election program.

Presidential Race Said 'in Full Swing'

LD0306091891 Moscow TASS in English 0904 GMT
3 Jun 91

[By TASS correspondent Lyudmila Alexandrova]

[Text] Moscow June 3 TASS—With just nine days to go before the presidential elections in Russia, all six candidates are up to their necks campaigning, appearing on television and at mass rallies across the country. Whatever the outcome, the first presidential election campaign in this, the largest of Soviet republics is bound to be of huge importance as a school of political competition.

So far, the election race has produced no surprises although it has helped some of the candidates in their image-building efforts. This is especially true about Vladimir Zhirinovskiy, leader of the Liberal Democratic Party. Self-advertising and populism are not the worst of the drawbacks of this 45-year lawyer who rushes from rally to rally blasting his opponents and foretelling "a civil war and dictatorship within six months" if he is not elected president. Observers are ironical in saying that the number of votes Zhirinovskiy scores will be an indication of how sick society actually is.

Each of the contenders acts within the framework of a chosen role.

Boris Yeltsin, the present head of the Russian parliament, is on a 13-day tour of the country, a tour which he describes as "strictly business and not campaigning," as if hinting that it is time to get down to business and waive all image-building.

Vadim Bakatin, National Security Council member, is campaigning for a "good sense policy," advocating market relations, openness and dialogue with democratic forces. He says he is a radical centrist, moving left.

General Albert Makashov is high on singing praises to "the order."

Former Soviet Prime Minister Nikolay Ryzhkov, considered by most as Yeltsin's main rival, is clearly anti-market. In this connection, more and more analysts voice the idea that Soviet President Mikhail Gorbachev is hardly interested in Ryzhkov's victory, although earlier Ryzhkov's nomination was viewed as the centre's bid to bar Yeltsin's access to presidency. During a meeting with students at a Moscow higher educational establishment, Ryzhkov said his relations with the Soviet president "are quite cool at present," due to the president's inconsistency in carrying out reforms.

NEZAVISIMAYA GAZETA reported that the Soviet president's senior adviser Aleksandr Yakovlev had held a meeting with members of the coordinating council of the Democratic Russia Movement—Boris Yeltsin's main

backer. The sides, according to Arkadiy Murashev, arrived at the conclusion that "the watershed in the present confrontation in Russia passes between the forces backing Boris Yeltsin and Vadim Bakatin on the one hand and Nikolay Ryzhkov, Albert Makashov and other conservative leaders on the other. [single quotation mark as received]

Yeltsin's victory—even if a second round is needed—appears the most likely outcome of the elections. A public opinion poll, conducted by the Union Centre for Public Opinion Studies on May 22, revealed that 56 per cent of those polled in 12 Russian cities favoured Boris Yeltsin, 13 per cent Nikolay Ryzhkov and 5 per cent [for] Vadim Bakatin.

Ryzhkov Discusses Economy, Gorbachev, Yeltsin

PM3105104091 Moscow SOVETSKAYA ROSSIYA
in Russian 30 May 91 First Edition p 3

[Answers by Nikolay Ryzhkov to "questions posed in letters and at meetings with voters," collected by N. Belan, under the rubric "Toward the Presidential Elections:" "Nikolay Ryzhkov: I Will Be Frank...."]

[Excerpt] [passage omitted] [Belan] This is not an interview, but answers to questions put to Nikolay Ivanovich at meetings and sent in by our readers.

[Questions] "How dare he put himself forward for the post of Russian president? Everyone can see the people will choose Yeltsin." "Did Gorbachev or the CPSU Central Committee tell you to do it, or what?"

[Ryzhkov] I consented to run of my own free will. Neither the Central Committee nor Mikhail Sergeyevich told me to do it. In five years as chairman of the USSR Council of Ministers I had the experience of power, I tasted its "charms," and I know what difficult and often thankless work it is.

But the situation in the country and in Russia is deteriorating, it is critical. And I am not sure that the program Boris Nikolayevich Yeltsin is now putting forward will change the state of affairs for the better. Therefore I cannot stand aside and watch the development of events dispassionately. That is what motivates me. Two observations in passing. Many of the mass media are trying very hard to instill into people the image of "Ryzhkov the pensioner." But I am first and foremost a USSR people's deputy, working and fulfilling the voters' instructions. And something else that is constantly repeated: The people are only for Yeltsin. But what about the millions of people who nominated me as a presidential candidate and signed their names in support, aren't they the people?

Now, about programs. Last summer, you recall, there were two programs for the transition to the market—the government program and the 500 days program. The latter was also called the "shock therapy" program, and I have an unequivocal attitude toward it. At the recent session of the

Cabinet of Ministers under the chairmanship of USSR President M.S. Gorbachev, another program was examined—the program for extricating the country from the crisis. As far as I can judge from the information available to me, it is the 500 days program again—basically the very same. Maybe there will be some tactical changes, but from the viewpoint of basic principles these programs have come together, and therefore I do not see any grounds for thinking that there is a new program and an old one. Only one program exists today, and it is supported by both Comrade Yeltsin and Comrade Gorbachev. They have one path, I propose another.

In what way do I not agree with them? I will dwell on just the main socioeconomic aspects.

I am convinced that switching the economy to a new footing is inevitable. Incidentally, I was one of the first to say that we had exhausted our potential in the rigid plan-distribution system, that we could not go on in the old way, and that we must go over to more flexible forms of economic relations. But our formula was a regulated market, that is, a smooth, gradual transition to the market, so that when something old is destroyed, its place is immediately taken by something new, everything is calculated and predicted, rather than being swept away at a stroke, in a brief period. I am categorically opposed to measures like that, to "shock therapy." I thought and still think that trying to make the transition to new economic relations in the course of a few months is fraught with the danger of serious consequences.

In order to go over to a free market, it is necessary to create appropriate structures: stock exchanges, intermediary organizations.... To say: That's it, from the new year the state order will cease to exist, as is now being proposed, you must rely only on your own efforts—that is ridiculous. Things are difficult today, but if there is no kind of regulation at all from the new year, many enterprises will be unable to function. Particularly machine-building enterprises, which have enormous networks of coproduction links.

Or take another thing: I am in favor of multiple forms of ownership. We must find forms in which the individual is really the owner of his own means of production. As for small enterprises—various kinds of workshops, cafes, little stores, and so forth—here we will have private ownership. But here I believe that the people who work at these small enterprises should have priority, that they should have the first chance to acquire them. Let them decide their own fate, rather than being bought and sold at auction by people who are rolling in money.

As for large enterprises, there you have joint-stock, collective ownership, when, for instance, the means of production are allotted to each working member of the collective, who has a share of the profits. We must follow this path. In agriculture I am categorically opposed to private ownership of the land, to buying and selling it. Everyone should have the right to work on the land and choose what he prefers: If you want to be a private farmer, fine; if you want

to stay in the kolkhoz [collective farm], good luck to you; and so forth. I am also in favor of handing down that plot of land by inheritance. But as for selling it....

[Questions] "What is your attitude toward the privatization of unprofitable enterprises?" "You are a conservative, you are against housing reform, and that means you are dragging us back to the times of stagnation."

[Ryzhkov] I categorically disagree with those who call on us to "sort out" the loss-making enterprises before the new year and privatize them by force, that is, auction them off. Such haste is dangerous. After all, take the coal industry—it has 23 billion rubles [R] in subsidies from the state. What will happen if the mines are bought up by our own businessmen, or foreign ones? And who has thought about the millions of unemployed people? Therefore I realize that an unprofitable enterprise is indeed a misfortune, a weight dragging down the country's economy, but it is premature to proclaim the slogan of compulsory privatization. Today 25 percent of our kolkhozes suffer a loss—so what shall we do, collectivization in reverse? Maybe we should study each individual case and help the farm to find its feet, through, among other things, the introduction of new forms of ownership.

About the privatization of housing. A year ago this question was discussed at the Presidential Council. The proposal was made: Let us create a housing market, so that people can buy and sell their apartments freely. It sounds attractive enough. But at that time I came out categorically against it. You cannot approach this problem so lightly, without studying it in depth or making calculations. We now have, for instance, 60 million pensioners, and of these, according to available figures, 30 million have excess housing space—five or 10 square meters or even more. That's the way it turns out—the children leave, the husband or wife dies.... How can you throw these old people out of their nests—after all, a home is not just walls. It is more a moral problem, an ethical problem. But it is a material problem, too: Just imagine, if they had to start paying for their excess housing according to the proposed "graph"—no pension would be enough for that.

And how could young and poor-off families buy an apartment? Surely it is obvious where the apartments will go?

So you see I am a conservative on this point—I was, and will remain so. I think we must develop the construction industry, build more, support cooperative, individual, and other forms of construction, and not only go in for redistribution.

[Questions] "Ryzhkov was the originator of price rises." "When he resigned, he advised Pavlov to increase prices."

[Ryzhkov] Yes, we talked constantly about the laggardness on questions of pricing. Prices had to be sorted out, but this should have been done back in 1988, at that time it would have caused fewer losses than today. In 1989 once again we were demanding it.

According to our calculations, the total sum in price increases should have amounted to R160 billion, and full compensation was envisaged for a number of products, with children's goods scarcely affected. But I got it in the neck for "unpopular measures," although virtually all the country's leaders and leading economists agreed that prices had to be sorted out. What came of it, in the event? From 2 April prices were increased by R311 billion, that is, virtually twice what we proposed, and there was a three-fold or fourfold increase on many goods.

All this was a grave blow to the people. I do not understand how it is possible today to submit a proposal to free prices completely by the end of the year, to lift price regulation and the established ceilings. What my opponents propose will cause new inflation: Prices will go up, it will be necessary to increase wages again, and when wages increase, prices will creep up. And so on, spiraling. That way of looking at things is intolerable. The people who will suffer will be veterans, poor families, young people, disabled people, all who do not have "mobile" wages.

Even now, I think they have gone much too far—by increasing prices for children's goods. It isn't only that this has hit the family, we should think about the future: The birth rate will fall in the country, because of high prices for food products children will go short of vitamins, protein, fats, carbohydrates, and that will affect the country's genetic pool. You criticize Ryzhkov, you don't agree with him, but think where your "shock therapy" will lead us.

A very important point in my election program is immediately to find the resources to rectify the situation regarding prices for children's goods.

And a last point: I did not give Pavlov any advice.

[Questions] "What is your relationship with M.S. Gorbachev?" "Did you have disagreements with him?" "If you are elected president of Russia, will you agree with him about everything?" "Why did you resign?"

[Ryzhkov] I have no relationship with Mikhail Sergeyevich now. I do not take part in any conferences, and I am not an adviser.

Earlier, until approximately 1987, he and I had no great disagreements. If you remember, at that time perestroika was gathering speed, and the country's economy was on the way up. However, even then I adhered to an independent, autonomous position and considered it possible to stick to my principles, even if this meant I was in a minority in the Politburo. Remember the antialcohol campaign. I came out against the methods of implementing it. The ideology went like this: If there is vodka in the stores, people will drink it; take it away, and that will be the end of drunkenness. I said that was stupid, and that we should think about introducing a rationing system for sugar, because that is what would happen. And so it turned out. But, to be frank, I underestimated all the consequences, I thought it would just be a matter of home distilling, but you see—people

drank everything containing any alcohol at all, and drug addiction and substance abuse developed.

Recently, especially in 1990, Gorbachev and I had major disagreements. I spoke about them frankly, face to face—in the Politburo and in the Presidential Council. About the privatization of housing, for instance.

A special point—the program for the transition to the market. The government program was examined twice at the Presidential Council, I presented it there, it was criticized, amended, and in the end they said: Fine, Comrade Ryzhkov, take it to the USSR Supreme Soviet. I knew there would be keen criticism, especially over the price factor. But what else could I do, when since 1988 in every document we had been saying: When we come to the reform of retail pricing, we will consult with the people without fail. So I mounted the rostrum and told them frankly how we saw all these things. And I took all the flak....

Then, a month later, the 500 days program appears. Comrade Gorbachev says: I am more in favor of this. I ask him: So when were you right, when the Presidential Council gave me its blessing to take the government program to the Supreme Soviet, or now? I don't understand, I say to him, what the position is, how anyone can work in this situation—today it's one thing, tomorrow another.

When neither of the programs—neither the government's nor 500 days—was adopted, the Supreme Soviet drew up a draft decision: instruct Comrade Gorbachev to draw up a new program (they called it "Basic Guidelines...."), taking 500 days as a basis. I came out categorically against this, and said that unless the government program was also taken as a basis, I would get up and offer my resignation....

I was always sincere in my position. The only thing I reproach myself for is that I should have said a year earlier what I said last December at the Congress of USSR People's Deputies. That perestroika, in the form in which it was conceived in 1985, has not happened.

About my resignation. The point is that I did not offer my resignation, I did not write any letter. If you remember, the Congress of USSR People's Deputies changed the Constitution, the Council of Ministers died the death, it simply ceased to exist. And so the chairman of the Council of Ministers automatically ceased to operate.

I don't want to go into detail, but I can say one thing: The criticism leveled at me was obviously in many ways deserved, we have to get used to the idea that any government will be criticized nowadays. But not in the way it was criticized last year. I think this was because some people did not like my position, and wanted to get rid of Ryzhkov.

But be that as it may, I stand my ground. I think the turn that is now taking place is leading the country toward "shock therapy," which will have an acute effect on the

people's life. We know this, for instance, from Poland. True, today they have everything in the stores there, but the ordinary worker cannot afford it. You don't have to be very smart to saturate the market, I could do it overnight—increase prices enough, and there will be plenty in the stores. I support a different view: We must find the right balance, so that there are goods there, and people can buy them.

[Question] "First he ruined the country's economy, now he's set his sights on the Russian presidency."

[Ryzhkov] Let us remember what happened in the country over a five-year period. I think we were developing normally for the first three years. But then total chaos set in: the war of laws, the strike movement, the breaking of contractual links.... How can we work normally when Armenia, for instance, closes a plant, and as a result 700 of the country's enterprises find themselves without the output? How could the government do anything calmly in a situation where, in 18 months, the question of no confidence in it was raised six times? This was real pressure.

[Question] "What is your attitude to B.N. Yeltsin?"

[Ryzhkov] I know him of old, we worked together in Sverdlovsk. He was on the oblast party committee, I was at a plant.

I do not agree with his program for the socioeconomic development of Russia, as I said earlier. Nor do I understand his behavior, his *modus operandi*. He made a career in the CPSU, reached the level of candidate member of the Politburo and leader of the capital's party organization, and then left the party. You can't call that principles. What about his "war" with the center? There is always someone in his way. I will tell you frankly: If they elect me president of Russia, I will fight for Russia and defend its interests. But I will not pursue a line of destroying the Union.

[Question] "If you are elected president of the RSFSR, what will be your priorities to begin stabilizing the economy?"

[Ryzhkov] Extricating Russia from the crisis and stabilizing the economy in 40 days or six months is absolutely unrealistic. We will start with the agro-industrial complex, it must be boosted, the market must be filled with food. Second—the state of affairs in industry must be stabilized. And another matter of paramount importance is to resolutely combat crime and speculation.

Most of all, I value and respect human dignity. Our program is basically simple, and is aimed at boosting that dignity. I am talking about every person in Russia. Not through words or slogans, but first and foremost by ensuring a high living standard and material prosperity and developing spiritual life. I think this is within our powers—we have experience, knowledge, energy, and the desire to work.

Presidential Candidate Zhirinovskiy Interviewed

LD0106180591 Moscow Central Television First Program Network in Russian 1700 GMT 31 May 91

[Interview with Vladimir Volfovich Zhirinovskiy, chairman of the USSR Liberal Democratic Party and candidate for president of the Russian Soviet Federated Socialist Republic; viewers questions read by program presenter Igor Fesunenکو; live—from the "Who's Who" program]

[Excerpts] [Passage omitted] [Zhirinovskiy] I would be a president of the many millions of the Russian middle classes. And this would be a considerable step forward in the sense of democracy and in regard to the protection of their rights. But the main thing is the question of ethnic Russians. I do not want nationalism and I do not want to raise Russians above anyone else. The only thing I do not want is for someone to discriminate against Russians. Here is a simple example: Kyrgyziya has adopted a law on land under which a Kyrgyz will be able to buy land while a Russian will not. In some other republic a Russian cannot obtain citizenship. In a third one he cannot teach his own child. This is discrimination, absolute encroachment on the rights of the Russian population outside Russia. And as Russian president I will build our relations with Union republics differently, always taking into account how Russians find the situation there.

Recently, for instance, Boris Nikolayevich [Yeltsin] telephoned leaders of the Baltic republics to ask them about Russians, whether they make any noise. When it comes to me, I will be ringing Russians to find out whether the People's Fronts there obstruct the progress of our people, representatives of the Russian population, as well as minorities. I want to tell you bluntly whose side I take: In Georgia I will be defending the interests of the Abkhaz people and the Ossetians. In the quarrel between Azerbaijan and Armenia I will tell you bluntly that I take the Armenian side. The Russian president must have a clear-cut position on all of these problems. Then the people of Russia and the whole USSR will calm down. Today, when there is anarchy, when power is paralyzed, and when the economy and culture have disintegrated, as a result of this there is effectively civil war on our ethnic periphery, and our state continues to disintegrate.

Thanks to that perestroika which neither I nor millions of peoples wanted there is a deterioration of life. Today, when our president is in Kazakhstan, where there are some successes, it would be better if Mikhail Sergeyevich travelled to the depths of Russia where there is a decline in the living standard, where the conditions are getting worse and worse, and, against this background, the improvement in life again in the southern republics is intolerable as this is again taking place at the expense of Russia's interests. [sentence as heard]

Among other things, I would like to say and make a political statement. Today we are waging a struggle in unequal conditions. We, the six candidates, are waging this struggle and I am in the very worst situation. I, as a

lawyer, observe a most flagrant violation of the law on the election of the republic's president. These will not be free elections on 12 June. We cannot freely elect a president—20 days for the election of the republic's president—even a rural soviet is elected over a period of two-three months. This is impermissible! In the most barbaric country elections last a minimum of six months.

And what conditions am I faced with? Take, for example, questions of security. Already after my first address at the Russian Congress, threats started to be addressed to me: that I would be annihilated or strung up. What is this? What kind of country do I live in? Where is the security service?

I would very much like to appeal here to the USSR internal affairs minister to occupy himself among other things with the election campaign. He has been devoting a very great deal of attention to our ethnic periphery, but here in Moscow and in my trips through the country it is necessary to ensure [my security]. I intend to travel to the Urals, to Krasnodar. Tomorrow I will be travelling to Tula. I ask that my security be ensured and I make this request among others to the State Security Committee. That is what it exists for, because all the other candidates have had the opportunity. And one of the main candidates has even created the Russian republican KGB committee. I do not understand why he personally needs that committee. I would like this organization to uniformly ensure the security of all candidates.

That is briefly how my program differs from the others and in what incredibly difficult conditions I am waging this struggle. I am even being prevented from receiving the money which is due to a candidate and his team. Literally today I was refused the money which is due to agents. I am not being given paper; I am not being given the opportunity to issue posters and to distribute them even though oblast printing houses print all these posters and placards in favor of other candidates. That is why this is a most flagrant violation of the law. I believe that if the United States has had its Watergate, one may observe that in our country a Yeltsingate is looming.

[Fesunenکو] I have a whole range of questions and [requests for clarifications] regarding your ideas, your principles, your program, which you have stated. I will alternate them with questions which are coming in. But, inasmuch as you have ended already with a mention of Internal Affairs Minister Pugo, a question has arrived here from (?Tatyana) Mikhaylovna Serova, a pensioner from Moscow. She dictated it on the telephone yesterday. What is your attitude to what is taking place in the Baltic republics? She is referring to the recent seizure of the TV station, the recent smashing of customs posts on the borders of these republics, and, well, the January events, the seizure of the TV station in Vilnius? And what do you think of the internal affairs minister—she is, of course referring to Pugo—who learned of the beating up of customs officers only from a report by Leningrad journalist Nevzorov. Does it not seem to you that such a minister should resign immediately?

[Zhirinovskiy] The person who disturbs me most of all is internal affairs minister, [corrects himself] Deputy Internal Affairs Minister of the Russian Federation Dunayev who gave information and an instruction to all militiamen to vote for Boris Nikolayevich [Yeltsin]. They come up to me and ask...[changes thought] They want to vote for me, but the instruction of the authorities is to vote for Yeltsin. I am opposed to such instructions and I am an opponent of the fact that the internal affairs minister is not in control of the situation. I am opposed to violence in any region of the country. But in adhering to that stand I will proceed from the interests of all the people. In this case, in the Baltic republics, and in that very same Latvia there are 1.2 million Russians. That is why I believe that there should not be any violent actions there. But, at the same time, one must proceed from the situation that the situation with regard to the Russians has deteriorated very sharply there. That is why the nationalities question must be resolved correctly here. As long as we do not resolve it the situation there will deteriorate.

But there is no need to destroy any posts. On the other hand, there is no need to create any either. That is why, as a lawyer, I would like to know: If they have been created on a legal basis there is no need to destroy them; if they have been created on an illegal basis, of course they need to be eliminated.

[Fesunenکو] But should they be eliminated in precisely the way this was done by OMON [special purpose militia detachment]?

[Zhirinovskiy] No, under no circumstances! Conventional legal means need to be used, but at any rate the state is entitled to use force too in certain instances in order to ensure compliance with the law.

So for me, for the president of Russia, the Union Constitution and the RSFSR Constitution exist. But when we have 50 constitutions and 50 presidents we will be pulling down customs posts throughout the country and be engaged only in doing that. That is why it is necessary to first resolve the main political question: What will our state be like?

[Fesunenکو] You have been speaking a lot about, and you have devoted a great deal of attention to, the nationalities question and this evidently has induced Nina Pavlovna Sadovskaya from the city of Kiev to send just now the following question, on the whole with a sting in the tail, I am telling you honestly, yes.

All the deputies who are candidates for the post of president speak very eloquently. In the case in point, Vladimir Volfovich keeps hammering on the issue which is most acute, that is, the struggle for the Russian people. In fact, this is a struggle in order to come to power.

[Zhirinovskiy] Is this for me to come to power?

[Fesunenکو] Yes, yes, yes.

[Zhirinovskiy] This is not a struggle to come to power. Why is it that the others—they are already in power—

why have they reduced the country to such a state? It is this that should arouse amazement among our electors. And my position is to ensure precisely the protection of the interests of all our citizens, there at the top, in the post of president of Russia.

[Fesunenکو] Let's start at the beginning. You mentioned that you were the only candidate nominated by a distinct and specific party, the only candidate who is a representative of a party. In this case the Liberal Democratic Party. I must say that the party name sounds very fine, and the words liberal and democratic have a pleasant sound to them and people like them. The trouble is that in this country, and not just this country, in the murky world of politics, parties do not always live up to their names. For instance, I'm a member of the Communist Party—I stress, Communist. Regrettably, in 70 years, this party has not only failed to build Communism, but I think it has not even built socialism. Thus, the name does not quite appear to reflect the reality of what occurred in this country. Could you say briefly and clearly what sort of party the Liberal Democratic Party is?

[Zhirinovskiy] Let me explain. Translated into Russian, it means free democratic party—freedom in everything. Freedom in ideology, in politics, in the economy, and freedom, er, a correct understanding of the problem of human rights. And the law—in the framework of the law we are all free, we are all citizens, without ethnic, political, religious, and social distinctions. We must all become citizens of Russia. But by Russia I understand the whole territory of our state, from the Baltic to the Pacific, from Kuskha to Murmansk, and from Kishinev to Kamchatka. So I would like us to return to the old name of our state, then it would be clear what we are talking about.

[Fesunenکو] Including the three Baltic republics?

[Zhirinovskiy] Including all of them, all of the territory. As a lawyer, I regard the 1977 Constitution as valid in this country. Under that Constitution, we have existing external state borders, and the Baltic republics, among others, are part of our country.

[Fesunenکو] Thank you. Comrade Ivanov... excuse me, a viewer Ivanov, from Moscow... I do not know if he is a comrade: the world is changing! I also must refer to you as Mr.! Viewer Ivanov from Moscow has just sent in the following question: What funds does your party subsist on?

[Zhirinovskiy] We only have our own resources. We very much need support, particularly for the election campaign. We have no funds. We have minimal funds. If we had the vast resources of Democratic Russia or other organizations, we would be more successful. So, for the time being we survive on our own money and small donations from various organizations, cooperatives, and societies. But it is very little. We basically have practically no resources. Very little.

[Fesunenکو] Thank you. Our girl Olya has just given me a message from Mikhail Iosipovich Volman in Leningrad. He rang in, and here is what he said: You are now

speaking and setting out your views to the effect that the president should be a sort of dictator. Have I understood you properly? That is the first question. Second,—and we have had other similar ones—have you been a member of the CPSU?

[Zhirinovskiy] I have never been in the CPSU, and I consider it inadmissible to betray a party in which one has been for 30 or 40 years, particularly at a period of crisis. In that sense, of course, I think it is a negative thing for....

[Fesunenکو, interrupting] On this point, by the way, Irina Markovna Matsol also asks whether you were ever a member of the CPSU.

[Zhirinovskiy] I have never been one.

[Fesunenکو] So you have never been one?

[Zhirinovskiy] As far as the business of the president being a dictator is concerned, this is a misapprehension. In the context of the crisis the president of Russia must regrettably take effective and extremely energetic measures. As you see, I guarantee that this is only within the framework of the law. The reverse is true—if someone like me is not elected, but one of the other candidates gets in, and that applies particularly to my main rival, I think that a dictatorship will be imposed on this country in the next six months. A civil war and military dictatorship loom if we do not make the right choice at the elections on 12 June. I am a supporter of civilian rule and of observance of the law everywhere, throughout the territory of the USSR. In other words, mild methods of running the state. [passage omitted: Zhirinovskiy answers questions about his nationality; says his mother was Russian and his father came from the Ukraine; gives further details of election platform, saying he believes in gradual privatization since rapid privatization could cause civil war; says large enterprises should remain in state sector; says he opposes anticommunist hysteria prevalent in some parts of the country; says if he becomes president there will be no persecutions but promises crackdown on crime]

Let us take what is happening in Georgia today. We have genocide of the Ossetians. The lives of the Abkhazians are in danger. What is happening in Armenia? In Azerbaijan? In Central Asia? Meskhetian Turks are wandering around Russia—200,000 of them! People who were thrown out several times: in November 1944 they were thrown into Central Asia, in 1991—perestroika's heyday—they are being thrown into Russia. What should Russia do? I shall help the Meskhetian Turks to return to their homeland. They will not wander around Russia again.

[Fesunenکو] You were already asked several times during the previous press conferences and meetings with the press the same questions which Yuriy Pavlovich Bokarev, history sciences doctor from Moscow, is asking and I am still reading it out: In a number of newspapers claims were made that you are collaborating with the KGB. Please explain your connections with this organization.

[Zhirinovskiy] There was never any connection. This is the similarity of positions. Today the only forces in the country which prevent the disintegration of the state are the army, the KGB, the president, and other structures. This is contained in my program, too. I am against the disintegration of our state. This is all. I have always worked in civilian establishments. This is easy to see. And then, what sort of connection is this? If they were helping me I would have a powerful party, I would have a different election campaign. Let them think about the other candidates. Who created the Russian KGB? Who, when he was a secretary of the Sverdlovsk party obkom, was present at the sittings of the collegium of the oblast KGB and was inviting, and making decisions about the fate of many politicians of this oblast?

[Fesunenکو] When?

[Zhirinovskiy] When, shall we say, Boris Nikolayevich was leader of Sverdlovsk Oblast. And, shall we say, when Bakatin was a minister of internal affairs. They, who were engaged there at the top, should be definitely connected with this organization. But, in principle I respect all the state structures and will be pleased to meet with the chairman of the KGB. I have certain suggestions and misgivings about how our state security is being organized.

[Fesunenکو] Well, I do not know whether Comrade Kruchkov, chairman of the KGB, is listening to us now. But, in any case, one of his colleagues obviously is listening. Your wish will be reported.

[Zhirinovskiy] I would definitely like [such a meeting], including with the minister of internal affairs. [passage omitted: Zhirinovskiy says he greatly respects Lenin but that Lenin should never have left Switzerland to take part in the October 1917 coup; says it is too early for women to play a leading role in the Soviet state; criticizes the Pamyat organization for its attitude toward certain ethnic groups; calls for reform of the cooperative movement; calls for removal of artificial barriers to sale of alcohol and saying people should have freedom to make their own decisions; says his running mate is an economist and therefore he has no problem with economic advisers; calls for compensation for victims of Stalinism, says the money will come from the Treasury which will receive extra funds as result of new policies and money will not be wasted on countries like Ethiopia]

[Fesunenکو] Vladimir Volfovich, a few more words and two or three more questions on our foreign policy. When you were setting out your platform at the beginning of the program you said that our foreign policy has collapsed. As an international affairs journalist, I can tell you honestly that I do not agree with you. My view is that foreign policy, particularly when Eduard Amvrosiyevich Shevardnadze stood at the helm of it, was one of the most successful elements in what we call perestroika, and while our economy may be collapsing, while our country may be plunging into the abyss, as it were, in foreign policy in those years we were in fact finally able to breathe freely and the civilized world began to respect us and received us

into its bosom, as it were. So, I must say right away that I do not agree with you. You said that we were driven out of the countries of Eastern Europe, and so on and so forth. Does that mean that you consider that we should have stayed there and that our troops should continue to be based in Germany, Czechoslovakia, and so on?

[Zhirinovskiy] Our troops should leave the territories where they are stationed when, and to such locations where, proper conditions have been prepared for them. The easiest thing in the world is to sign an agreement to do the Hungarians, Poles, Czechs, and West Germans a favor. But why do we not consider our own people, our army? So it was not a success for foreign policy. We helped to topple Russia from its pedestal as a great power. I agree that foreign policy had to be changed, but not at the cost of being squeezed out, of our influence waning, and of our army retreating beyond the Urals. What is the point? It could perfectly well have stayed where it was until the proper conditions had been created there. We dealt a blow to the army and to its moral prestige. Today, in places where our army was stationed, monuments to our soldiers are being demolished. Why did they enter Prague on 9 May? Why did millions shed their blood? Today they insult us there. They have erected a monument to Bandera [Ukrainian nationalist leader], they have erected monuments to SS-men. What about our army and our older generation of citizens? They are spat upon today. Why did they shed their blood? As for foreign policy, I do not agree with you. It was a foreign policy of decline under Eduard Amvrosiyevich Shevardnadze. It was a blow to the country's prestige. I am not saying the troops should have remained where they were, but they should have been withdrawn when, and to locations where, it was convenient for us. Perhaps they should not have been withdrawn beyond the Urals, but to the Near East, Africa, Latin America, under the UN flag.

[Fesunenکو] You are saying we should transfer our military units there....

[Zhirinovskiy, interrupting] The military units should be performing combat tasks, and we should be earning dollars from this, and paying our officers and men high wages from this. Instead of that, we have sent the army beyond the Urals. Why? Officers and men sleep in tents, and social tension is rising. I can assure you that if there is a military coup in this country—and I cannot rule that out at all if someone else is elected president of Russia instead of me—one of the reasons for this would be the ruinous foreign policy of recent years. We dealt a blow to the army and the country. We need to change our foreign policy, but in a direction advantageous to us.

[Fesunenکو] You mentioned at the start of the program—I noted it down—that we have to give up gearing our foreign policy to the United States and Western Europe, and reshape the East-West axis into a North-South one. Wasn't that so?

[Zhirinovskiy] That is so.

[Fesunenکو] And you also mentioned that this reshaping and redrawing of foreign policy in the direction of a North-South axis, in the direction of our southern neighbors, as it were—you mentioned Afghanistan, Iran, and so on—would be advantageous and would yield additional sources of revenue for our economy. What is not clear to me is what sources of finance we can draw on from our southern neighbors, excluding Turkey, of course, which has become a highly-developed country alongside us.

[Zhirinovskiy] It would be a cheaper foreign policy. When our diplomats and our army are scattered around all continents, this is very expensive and dangerous. What I am saying is that we should end our confrontation with the United States and Europe. We spent trillions on it, not just thousands of millions. We spent trillions on this confrontation. What is the point of confronting the United States and Western Europe? We should reach agreement with them on disputed points, and switch [our attention] to the south. That is where our vitally important interests are. It would be an easier and more reliable policy. We shall get additional money out of it because it will be a cheaper foreign policy, and I do not rule out the use of our armed forces under the United Nations flag, for large payments in foreign currency, in different parts of the world, as is being done today by the multinational forces in the Near East, and as may happen in Africa. A foreign policy of that sort would be profitable. We put everything into Iraq, and Iraq was smashed, and we have now lost everything. We would not be investing in anyone: We would be ready to make available our valiant armed forces so that, in fulfillment of UN resolutions, they can be used somewhere as a sort of police force. [passage omitted on Zhirinovskiy saying he will stand for the presidency of the Soviet Union if he gets the opportunity; says Leningrad should not be renamed now; makes a final appeal to the voters and says the election should have been in September; claims a neo-Bolshevik coup is being foisted on the country and 12 June is a historic chance to save the country; promises a civilian government, and says the other candidates are going around in armored limousines because they are scared of the people whom they have mistreated; asks voters to choose the all-European road on 12 June otherwise there will be catastrophe and disintegration of the state. Fesunenکو winds up the program. He reads some comments from viewers on the program, some praising Zhirinovskiy, others expressing skepticism. Zhirinovskiy appeals for people to come and help his party machine, by offering their services as party workers. Fesunenکو thanks Zhirinovskiy for participating and thanks viewers for watching]

Bakatin Interviewed on Presidential Platform

PM0306174091 Moscow KRASNAYA ZVEZDA
in Russian 1 Jun 91 First Edition p 3

["Presidential Contenders" interview with V.V. Bakatin by correspondent Captain 2d Rank V. Urban—date, place not stated: "V.V. Bakatin: My Goal is Nationwide Consensus"]

[Text] [Urban] Vadim Viktorovich, you gave our newspaper an interview recently on 9 May. But at that time you did not say whether or not you would be entering the election contest. What influenced your final decision?

[Bakatin] My decision was influenced first and foremost by support from the labor collectives, the thousands of people who nominated me as candidate and called on me to join the election contest. You cannot disappoint people when they trust you. I feel personally responsible for Russia's fate and I believe that I can help it in its hour of difficult trials. Transformations are taking place in Russia, but only slowly, and—most importantly—not very consistently. The quest for national consensus has dragged on. In this situation, I cannot stay on the sidelines.

[Urban] All the contenders for the post of RSFSR [Russian Soviet Federated Socialist Republic] president make no secret of the fact that they count on the support of certain social population groups, political parties, and social movements. Therefore our readers are primarily interested to know what you mean by the formula "I am an independent candidate."

[Bakatin] I believe that the president of Russia should reflect the interests of all the people of Russia, not one particular party or movement. He should be dependent only on Russia's voters, rather than having to repay credit given during the election contest.

Of course, I can only welcome the support of those who share my program and my views. But there is only one party that I am prepared to subordinate myself to, as president of Russia—and that is the "party" of the majority of Russia's people, the "party" of those who work at the machine tools and in the fields, look after the country's security, study, raise children.... Those who wait in lines, in the end, I am counting on the votes of those who are concerned for Russia's present and future, whatever parties or movements they may belong to.

[Urban] A question to you both as a member of the USSR Security Council, and as a candidate for the post of RSFSR president. What form should Russia's security take, in your view?

[Bakatin] A small correction: On entering the contest for the Russian presidency, I considered it my duty to submit a request to be released from my duties as member of the USSR Security Council. It is now up to the USSR president.

I see Russia's security only within the Union. Security cannot be ensured within the bounds of an "individual republic." We must also remember Russia's special responsibility for the security of our entire Union state.

Ensuring security is a complex problem. In order to resolve it, we need Armed Forces capable of neutralizing military threats, and also a healthy economy—the basis of the state's might and influence in modern conditions; a stable political system; and a society that has faith in its own values and ideals. When we emerge from the crisis

that affects all aspects of our life, we will thereby reliably ensure the country's security in the future.

[Urban] That leads to the next topic, Vadim Viktorovich. What priority questions do you raise in your election program?

[Bakatin] To postpone, for the time being, the drafting of more and more new programs: We already have an understanding about the direction we should take, and now we must get down to practical work.

To stop the endless ideological disputes—what is "socialist" and what is "capitalist."

To regulate the transition to the market in practice and create proper economic conditions for production growth in both industry and agriculture. That will only happen when the producer has an interest in it.

To direct our construction complex into housing construction for several years—none of the problems here is going to be solved by privatization alone.

Expenditure on the military-industrial complex must not simply be cut, we must change the whole structure of expenditure in this sphere and work toward boosting the professionalism and qualitative standard of the Armed Forces. The army that was victorious in World War II can and should be turned into a 21st-century army. In the first instance we should protect the people who ensure our Motherland's security and guarantee social protection for them and their families.

To ensure personal safety for Russia's people, and that means redesigning the law enforcement system, boosting its effectiveness, and strengthening it both legally and materially.

Difficult as it may be, the problems of education and training must be treated as "priority number one." Without this, no society has a future, it's as simple as that.

And of course, the future president of Russia cannot avoid tackling the problems of survival—he will have to concern himself with food supplies, the power industry, transport, urgent social protection measures, and, alas, a great many other things.

[Urban] So what do you think, what is the main difference between your program and those of the other contenders?

[Bakatin] My program is based not on ideology, but on common sense. It is aimed not at discussing, but at tackling our numerous problems.

We will overcome the trials that have fallen to our lot provided we can achieve nationwide consensus and reconciliation and overcome the split in society and in our multinational state. I think that ensuring nationwide consensus is the main task of the Russian president. This is my personal goal, too.

[Urban] In the election struggle a considerable role is played by the secondary figures, that is, the candidates for the vice presidency. Why did your choice fall on R.G. Abdulatipov—chairman of the Russian parliament's Soviet of Nationalities? Incidentally, have you known him a long time?

[Bakatin] I have not been acquainted with Ramazan Gadzhimuradovich for all that long. But the better I get to know him, the more certain I am that I made the right choice. I am not talking about the personal side—although it is very important—but I have in mind first and foremost his diverse range of knowledge and his common sense. Most of all I value his knowledge and experience in the sphere of interethnic relations—I believe this is one of the central problems that the future president of Russia will have to deal with. Russia was, is, and will remain a multinational republic, and everyone who cares about its fate must strive for peace and consensus among the peoples inhabiting it.

[Urban] Russia and the army. No KRASNAYA ZVEZDA interview with a Russian presidential candidate would be complete without mentioning this topic. Especially since all your rivals have already spoken out quite specifically on military problems. So I would like to know your opinion, too.

[Bakatin] I believe the Armed Forces are the backbone of the state, and therefore my attitude to the army is the same as my attitude to the state. And the strengthening of Russian statehood and the preservation of the Union are the prime duty of the Russian president.

As I have already said, the country's security is indivisible, and the Union army is Russia's army. More than half the Soviet Union's defense enterprises are sited on Russian territory. A large proportion of military districts, troop formations, and combined units of all branches of the Armed Forces, and of the nuclear missile arsenal, are located on our soil. I therefore take a negative view of such ideas as the creation of Russia's own army, and I do not think Russia can become nuclear-free until the other powers have renounced nuclear weapons.

But I will also say this frankly: The vast military-economic structure is a heavy burden for Russia, and must be lightened. This must be achieved through the implementation of military reform, which must be based on approaches formulated by professionals. In order to ensure security for both Russia and the Union we need first and foremost flexible, highly maneuverable Armed Forces with a defensive structure, capable of reacting quickly to changes in the world military-political situation, and also of giving a guaranteed response to any realistically possible military challenge, wherever it comes from. The main task of the Armed Forces is, in my view, the prevention of military conflict.

[Urban] And my last question. Nearly all the other candidates have already had meetings with servicemen voters. Do you have plans to do this?

[Bakatin] My main rivals had a big "head start" in terms of time. But I do have such plans, and for the very near future.

Presidential Candidate Tuleyev Tours Far East

PM0306150691 Moscow SOVETSKAYA ROSSIYA
in Russian 30 May 91 First Edition p 3

[V. Kladchikhin report: "In the Working People's Interests"]

[Text] Vladivostok—Russian presidential candidate A.M. Tuleyev has begun his election tour with the Far East. Ways of stabilizing Russia's economy were discussed at meetings with miners, naval seamen, deputies, and journalists. In the first instance, the contender stated, we need to bring the republic's main assets into economic circulation—its natural resources and intellectual potential and the people's talent.

Maritime Kray, like the Kuzbass, which nominated A.M. Tuleyev as candidate, is capable of finding its feet quickly provided that the processing of the resources extracted can be put in order in the near future.

Miners at the "Dalnevostochnaya" and "Artem" pits inquired about A.M. Tuleyev's view of the workers' movement. While fully supporting the demands of the workers' movement, the candidate rejects strikes as a way of achieving changes. The recent strikes showed that they led nowhere, except to the ruin of enterprises and poor family budgets. No one is going to make you a present of prosperity, it has to be earned.

On the large submarine Khabarovsk A.M. Tuleyev met with the crew and talked with officers and seamen. The traditions of the Russian fleet are still based on irreproachable and intelligent service to the Fatherland. But the military have many problems. Their requests will be submitted to the appropriate deputies' commissions and committees of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet.

The local soviet deputies inquired about the candidate's plan for the preferential social protection of working people in the transitional period. It is proposed to use the experience accumulated in the Kuzbass. There, the industrial enterprises are taking on the duty of providing material support for pensioners, large families, and others in need. It was the wide program of aid to the poor which is being implemented on the initiative of oblast soviet chairman A.M. Tuleyev that won over to his side the vast majority of the people of the Kuzbass in the course of the collection of signatures in support of his nomination as presidential candidate.

R. Medvedev Deplores Haste in RSFSR Election

PM2705151191 Moscow SOVETSKAYA ROSSIYA
in Russian 24 May 91 First Edition p 2

[Interview with USSR People's Deputy R. Medvedev by Yu. Nikolayev; date and place not given: "Give Us Time To See. Historian R. Medvedev's Opinion"]

[Text] [Nikolayev] USSR People's Deputy R.A. Medvedev says that he did not miss a single sitting of the last Russian congress and is also keeping an attentive eye on the work of the congress that has just opened. His interest is due to his exceptional concern over the future of Russia and the choice it is to make. My first question is natural. Roy Aleksandrovich, in your view, in what way does the present congress differ from previous ones?

[Medvedev] The last Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies looked very chaotic and poorly organized. But it was perhaps deputies' poor standard of behavior that most pained me. As far as I know, this has also been discussed at deputies' meetings with their voters.

[Nikolayev] To any avail...?

[Medvedev] I think so. The first few sittings indicate that conclusions have been drawn; at any rate the standard of behavior seems to have improved.

[Nikolayev] What decisions do you expect from this congress?

[Medvedev] I would above all very much like to hope that deputies will have sufficient intelligence to rectify unforgivable past mistakes.

[Nikolayev] Like what...?

[Medvedev] I am primarily talking about the paradoxical situation that was artificially created by Russian deputies themselves contrary to elementary common sense. They set the date for the Russian presidential election before adopting laws on the president and his election. How can you schedule an election when these normative acts and other documents defining the status of the person to be elected, his powers, and duties did not exist? I cannot understand that as either historian or lawyer, or simply as a sane person.

[Nikolayev] But there must be some explanation for this paradox.

[Medvedev] The fact that only one man—Boris Nikolayevich Yeltsin—benefits from haste is the only obvious thing at the moment. All the other candidates have knowingly—and probably deliberately—been put on unequal footing with him. In fact it is really conceivable that all of us voters, in the time remaining until 12 June, will be able to familiarize ourselves with, understand, and comprehend the other presidential candidates' programs and meet these candidates?

You must nevertheless bear in mind the fact that our task—that of the voters, the citizens of Russia—is by no means merely a matter of appointing or putting some specific person in the new supreme post. We will be electing the first president of Russia for the first time in the history of the Russian state by a nationwide secret ballot. It is exceptionally important to approach this matter in a supremely responsible fashion. There are no trivialities and minor details here. Everything is important—ranging from all-around preliminary acquaintance with the candidates to such purely technical details as, say, delivering standard ballot papers to electoral precincts. Can this be done within such a brief space of time? If standard ballot papers are not sent out and this process is not supervised, who will guarantee that there are no abuses? Or simply slips? Or misunderstandings?

Choosing a candidate is even more complex....

[Nikolayev] In what way?

[Medvedev] Take a fairly simple example. Correspondents have just said to me: People are saying, how can one vouch for Nikolay Ivanovich Ryzhkov's health, he was sick recently, after all.

What do we know of Boris Nikolayevich Yeltsin's state of health? Perhaps he, too, has some ailments that prevent him from performing such responsible duties as those facing the Russian president? What about the other contenders? It would be reasonable for some independent medical commission to thoroughly check out the health of all presidential candidates. Other countries have been doing this for a long time and no one sees anything wrong in it.

Let us recall that U.S. President Bush recently had a minor heart attack [pristup]. U.S. newspapers immediately began to doubt whether Bush was a suitable presidential contender for the next term. We know that Bush underwent an official medical examination and the results were published in the newspapers. There can be no medical secrets here—it is, after all, a question of the person who is to head a great country. People are entitled to know about his capabilities. Last, a medical examination is necessary even to obtain a driving license. Yet we are entrusting not a vehicle but a vast country.... [Medvedev ends]

A radio journalist with a microphone butted into our conversation, saying:

"If the election is postponed now, won't the whole community, including the world community, see this as a desire to create conditions for future falsification of the results?"

[Medvedev] Why? Or do some people not understand that it is very hard for the Russian voter—and I myself am one, too—to work out his sympathies and antipathies and grasp the essence of the proposed programs in 10 or 15 days. I'm not saying that the presidential election should be put off to some distant date, but it is quite

reasonable to postpone it at least until late June or early July. I hope that the world community would see nothing wrong in that.

Let me stress once again that the contenders' unequal starting conditions are most alarming. Whereas B.N. Yeltsin has already spent almost a year effectively working as president in sight and sound of the public, N.I. Ryzhkov has still not really begun his election campaign and V.V. Bakatin only agreed a few days ago to throw his cap in the presidential ring.... [Medvedev ends]

Here is another question from my colleague with the microphone:

"If you are so concerned about the state of technical preparations for the elections and the likelihood of some unexpected conflicts, don't you think it advisable to invite impartial UN observers to supervise the course of the elections?"

[Medvedev] For heaven's sake, why? Can even the whole world community follow what happens in electoral precincts from the Baltic to the Pacific? Inviting observers from our Union republics is another matter. Take a look, acquire experience, learn lessons.... [Medvedev ends]

The recess between congress sittings had ended, but there were many questions from journalists surrounding Roy Aleksandrovich. We all agreed to release him "from jail" only after he gave us his predictions....

[Medvedev] In my opinion, Yeltsin won't become president this time despite even this feverish haste with the election. If only because he has very serious adversaries. Each of them, as Americans say, has a sizable and strong constituency, that is, a group of voters. I think that rural inhabitants and the bulk of the population of autonomous formations will opt for Ryzhkov. And Ryzhkov and Bakatin have firm positions in many industrial regions.... Most likely no one will be successful in the first round, so let's wait and see who precisely enters the second round.

[Nikolayev] For whom will you personally vote?

[Medvedev] Of all the contenders Ryzhkov and Bakatin are the most sympathetic and acceptable to me. I intend to make my choice only after thoroughly studying their programs.

[Nikolayev] Aren't you bothered by the fact that Nikolay Ivanovich Ryzhkov had the chance to show his worth as chairman of the USSR Council of Ministers. As far as I remember, he proposed three programs and none of them ultimately was implemented.

[Medvedev] It would be totally wrong and unjust to blame Ryzhkov alone for that. The programs he put forward had their merits and their shortcomings. Their collapse was to a great extent brought about by Gorbachev rather than Ryzhkov. It would be extremely foolish and dishonest today to blame Ryzhkov for everything for which the old and new party Politburos and Central Committees and the USSR president and our

Supreme Soviet are to blame; it now seems obvious that our Supreme Soviet failed to realize the grave conditions facing the government and Ryzhkov himself. We rejected many of his suggestions, including very sensible ones. I also take the blame for that. Nikolay Ivanovich suggested 18 months ago that we raise the prices of beer and tobacco, for instance, rather than luxury goods and we, the USSR Supreme Soviet, killed that program. The Supreme Soviet also killed Ryzhkov's entire first program for price hikes, which was far less painful for the population than the present program.

Tell me now: What could Ryzhkov do if the Supreme Soviet refused him this program?

All the USSR leadership's failures cannot be focused on a single individual. The fact that the chairman of the Council of Ministers was by no means the main protagonist in the state in our former hierarchy and was unable to oppose the Politburo, the Congress of People's Deputies, and the USSR Supreme Soviet must also be taken into consideration. If we return to present-day realities, you cannot help noticing that many of Ryzhkov's proposals were dictated by all the complex relations during the transition to the market and his endeavor to protect the people from serious adversities. How can one fail to take that into consideration...!

Tatar Supreme Soviet Chairman Views Elections

LD3005112891 Moscow All-Union Radio First Program Radio-1 Network in Russian 1600 GMT 29 May 91

[Text] The sociopolitical situation in the towns and villages of Tatarstan has developed dramatically over the past few days. Here is our correspondent Ilya Zlatipov with some details.

[Zlatipov] You mean, of course, the political hunger strike that many people have declared in protest against the holding of the Russian Federation's presidential elections on the territory of sovereign Tatarstan. That extreme political action was initiated by (Khosiya Bairovamova), people's deputy of the republic. But a session of the Tatar Soviet Socialist Republic Supreme Soviet has taken place, and a consensus seems to have been found. At least Freedom Square in Kazan, where passions have been on the boil in recent times, is clear of demonstrators and rally participants.

A press conference by Minister Shaymiyev, chairman of the republic's Supreme Soviet and candidate for the post of president of Tatarstan, who answered questions from our correspondent, was devoted to these events.

[Begin Shaymiyev recording] We are working and living in a transitional period and one in which the declaration of state sovereignty, not only of Tatarstan but also of other republics, has not yet been fully recognized in the capacity in which they were proclaimed. We cannot now fail to reckon with the fact on both the political and the legal level, and it has been recorded that, as a sovereign

state, it is not officially participating in the Russian Soviet Federated Socialist Republic [RSFSR] presidential elections.

At the same time, it must be borne in mind that when we are submitting amendments to our existing Constitution we did not touch on the question of citizenship. In that respect, the Constitutions of the USSR, the RSFSR, and Tatarstan are in force. So the Supreme Soviet, a legislative body, cannot deprive citizens of the right to take part in elections. Suitable conditions will be created for that purpose. It is important for us to understand that national overtones must not be given to questions of the realization of state sovereignty and, in general, to the concept of sovereignty. Sovereignty must serve the well-being of all the people of Tatarstan. If we implement that concept then peace and accord will result. [end recording]

Passions Run High Over Vote

PM0306102191 Moscow SOVETSKAYA ROSSIYA
in Russian 29 May 91 First Edition p 3

[Correspondent M. Zaripov report: "Confrontation on the Brink of an Abyss. Commentary on Tatarstan Supreme Soviet Decision"]

[Text] As we reported earlier, the Tatarstan Republic Supreme Soviet has decided that the results of the voting in the RSFSR [Russian Soviet Federated Socialist Republic] presidential election will have no juridical consequences for sovereign Tataria. This decision is so sensational and unprecedented that it is probably impossible to comprehend the position of the people's deputies who voted for the decision unless you know all the circumstances behind it. So let's take a look at what preceded it and at what is happening in general in Tatarstan today.

Since the end of April our cities have been seething with impassioned rallies, tense demonstrations have been held, and newspapers have been publishing articles by individual and collective authors. As though by agreement, everyone is protesting the republic's exclusion from participation in signing the Union treaty.

The republic capital's main square—Freedom Square—is always full of people: Some are marching with green nationalist flags, others are in militia uniform maintaining order. Could it be that explosions like those in Karabakh and Dubossary or the Tskhinvali and Vilnius tragedies are possible in the very center of Russia?

As the session of the republic Supreme Soviet postponed in April, at which parliamentarians must resolve the problem of the 'two presidents'—the republic's own president and the Russian president—approached, the speeches grew increasingly heated and the slogans and appeals more resolute. Everyone came under attack—the nine republic leaders who usurped the right of autonomous formations on whose territory over 20 million people live in the Russian Federation alone, the president, who has violated the Constitution which he is

obliged to defend—but the greatest share of the abuse and criticism is directed at Yeltsin, who only yesterday was handing out freedom in the squares and from the platforms, but today has declared that independence is only possible "inside" [the RSFSR]. You do not have to be a mind reader to realize that the active rejection of a Russian presidency in the autonomous formations is in many ways linked to B. Yeltsin's personality and his political games.

Disturbances began in the republic back before the May holidays. In Almetyevsk, the region's oil capital, demonstrators bearing flags and banners approached the main section of the "Druzhba" transnational oil pipeline, which carries oil to Western Europe, and demanded that the pillage which has not been authorized by the people should stop. It costs 42 rubles [R] to extract one tonne of oil in the republic oil fields, and the ministry pays R60 per tonne, which is three times lower than world prices, and the minuscule difference is not sufficient for payments into the local budget, wages, or the pathetic compensation. At Kilometer 0 of the pipeline the demonstrators were met by the militia, and sticks and other equipment customary in such situations were used. Immediately the response followed: At the wells, where there are no militiamen—there are not even any operators as the work is done by automatic equipment—there were cases of hooliganism.

The Tatar SSR [Soviet Socialist Republic] Supreme Soviet Presidium, the republic government, the Tatar Republic CPSU Committee, the Republic Trade Union Council, and the Leninist Communist Youth League Republic Committee sent a protest to the country's president, the USSR Supreme Soviet Presidium, the Constitutional Oversight Committee, the RSFSR Supreme Soviet Presidium, and other Union republics stating their rejection of the fact that the participants in the "treaty of the nine" had "contravened existing laws...." In their opinion, "the attempt to preserve former structures signifies nothing less than a return to a national structure of the country which has proved unworkable."

Demonstrations, rallies, and mass meetings take place literally every day. People gather on squares and at streetcar and bus stops. In stores the crowds of people arguing about freedom and democracy outnumber the waiting lines for products, which have increased considerably in price and are rationed....

Such is the level of rally passions in the republic. They did not subside even after the Tatarstan Supreme Soviet session, which resumed 13 May and established the post of a single head of legislative and executive power in the republic. As for the Russian presidency, a truly wise decision was made: The Central Electoral Commission was instructed to organize the ballot in the same electoral precincts on the day when the republic's own president is being elected so that those wishing to do so might express their view on electing the head of the Russian state, but

the results of the voting will have no juridical consequences for the region. It was decided to return the R3 million allocated for the Russian presidential election campaign by the Central Electoral Commission. Thus on 12 June the Tatarstan Republic's adult population will, as it chooses, be able to vote directly for two presidents—the republic's own, and the Russian president.

The latest sensation to emerge from the month's political fever came when the writer F. Bayramova, Tatar SSR people's deputy and chairman of the nationalist "Itifak" party, declared a political hunger strike in protest at the holding of the Russian Federation Presidential elections on Tatarstan territory.

One week into the strike, in which another 14 people joined F. Bayramova, the Tatar SSR Constitutional Oversight Committee gave its verdict: The republic parliament's resolution on electing the head of Russia on Tatarstan territory must be amended. The decision also notes that the republic Central Electoral Commission cannot be instructed to hold the RSFSR presidential elections and that it can merely assist all citizens wishing to express an opinion on the election of the head of Russia.

The deputies met for their preelection session 27 May. However, the main circumstance cannot be ignored. Regardless of the decision arrived at by the legislators, it is the people, the voters, who will have the last word in the election.

Silayev Addresses Young Businessmen 3 Jun

*LD0306180491 Moscow Radio Rossii Network
in Russian 1138 GMT 3 Jun 91*

[Address by Ivan Silayev, prime minister of the Russian Soviet Federated Socialist Republic (RSFSR), to "young business people of Russian" at the "first assembly of RSFSR business circles" in Moscow on 3 June—recorded]

[Text] Generally speaking, it is even considered in the world as (?abnormal) if a technocrat is the head of a government. I am also a technocrat myself. It is not surprising that lawyers and prominent economists and even people with a humanitarian education head governments. All this is due to our past. It is because of the—after all—militarization of the country and the same pumping of the money into the defense sphere.

I do not want to say this for the sake of continuing to abuse anybody or for the sake of going on saying how bad it was in the past. This, actually, is how it really was.

When the president is elected he will disband the existing government; to be more precise, the government will resign to the president. Then a new government will be formed. And it is natural that the new government will propose the relevant structures. Irrespective of what the new government will look like, the structure will be a new one. I can say that we have some hope that the major

part of the government will be able to stay. We are working on this program. We have—I have just now finished a preliminary discussion precisely on the possible structure in case we are instructed to go on working.

We are putting forward a task that the structure of the Council of Ministers should be relevant, naturally, to the president's system of governing from the point of view of subordination and the functions. But the main thing is that it should be relevant to the realization of the economic program. We will also have, let us say, a committee for supporting business activities, business initiative, etc.

I would like to express our attitude, the attitude of the present membership of the Council of Ministers toward the issue of young people.

We understand that this is such a vital—I would even say—dangerous sphere, the issue of young people that if one does not understand their interests and does not take this into account in the work and the programs, then no kind of government will be able to implement even a minimum of what it is hoping to do. I think that the matter is not just one of voluntary attention or special attention or a special love toward young people, but that the core of the matter is the part young people play in any state in the historical aspect and in present times. We understand that if we strike up mutual contact and take into account the interests of young people in our main programs this will, consequently, result in young people rallying behind us and we will enjoy active cooperation.

Yet if we get away with words that we are going [word indistinct] good but do not include the interests of the young movement or of simply young people in the practical program, then it will, actually, be impossible to fulfill the program. But, first and foremost, it is clear that we cannot simply work out a special program; that is why in our main directions—and we have nine main directions—we have to appropriately reflect the interests of this part of our society.

I never get tired of saying, and nobody will change my mind, that if we do not create an atmosphere of business initiative, of civilized business initiative today and if we do not establish legal, organizational and other mechanism, then we will not be able to cope with the task of not only getting out of the crisis but also of switching to market relations.

It is in the very nature of youth to be free of any previous habits and stereotypes, and always to display a certain element of nihilism and revolutionary spirit, properly speaking: It was ever thus. And it is very important to take the interests of this sector into account and to invite young people to implement all today's policies. It therefore seems to me that when we speak of a corps of young entrepreneurs, such as does indeed exist today, we could reflect here together on what sort of advantages, including purely economic ones, could be given to young entrepreneurs—and I really mean young people, not

older folk who have only just gone into entrepreneurial activity. Here we can and must find special ways, by means of some kinds of privileges and other approaches, to insure that it is young people that make up the foundation of our new, fairly broad stratum of entrepreneurs.

Second, of course, I should speak about social protection, and I nevertheless regard the priority here to be entrepreneurial activity, efforts to boost the economy and to develop the economy on a new basis. It is from here that the sources of protection for various strata of the population, including young people, derive. This, however, is by way of certain principles. If the young people are not young specialists with higher education—though there are points at issue there, too—or if young working people are involved, these are less well provided for, because they are not professionals. We must obviously look here how we can create some sort of (special) conditions, more advantageous conditions, I would say, for the young man who is ready to work, who wants to work but who as yet has no professional skills nor any experience of life. Nevertheless, given young people's vulnerability in the face of this difficult world, some social protection and welfare measures must be envisaged, perhaps by granting some credit in their first working years, by financing training, by some form of advantageous credit arrangements or loans which they could settle up, or perhaps even not settle up, when they are already gathering strength and have become qualified specialists in one field or another.

I am, so to speak, thinking aloud here. There is the question of where we should go regarding where we should be putting young people in higher education institutions. As a member of the previous government, I was dealing with problems of the reform of higher education. Statistics were drawn up, (I had to know), and the situation that emerged was that if 75 percent of engineers with a technical speciality received training in regular daytime higher education institutions, only 15 percent of economists did; the rest most often are trained through correspondence courses or evening classes. As for lawyers, there were just very slightly more of them.

The weakest thing here in market relations is that a situation has arisen where we do not have professional economists in general, and perhaps we shall have to have a look and think whether we should not perhaps cut down on the number of young specialists in the technical fields, and create from scratch a school to produce lawyers, to produce economists, and both of them together.

I consider that the young people must intensify our vocational training in quite a major way in these areas. The next point is that I think even if we do not succeed—so far we have only announced this—in uniting and combining the higher school with the tasks of scientific and technical progress, the world of the future, when the young specialist emerges from there, and now today, from the first course, these will not be

just theoretical centers for the training of specialists with higher education, but these are scientific-technical centers which develop, which create, which are the motive force behind scientific-technical progress [sentence as heard]. This is what (?existed in East Europe but has been destroyed); and with us, on the one hand, a dramatic situation is now developing in the branches of industry, with the scientific research institutes which once (?flourished), you can say, they are now in a very bad state. Evidently we will have to act vigorously to unite our universities, to unite those already in existence. Perhaps, with the material, technical base of those that today find themselves removed from the action in the centers, and create centers which will be at the core of scientific-technical progress and of innovation.

Well, now taxation, and in particular income tax—you know that in our program we renounce progressive taxes regardless of wages and set a 30 percent limit—income tax—I think this could be the right tax for a young person, perhaps not 30, but 20 percent. In other words we must decide the criteria: either an age boundary, or both age and, say, some proportion of his active work. In other words, we have to think about it. But at least, let us suppose, if he has no income of his own up to a certain level, then he can be exempted from tax altogether; if he is actively working, but has neither experience nor length of service, (?simply for the sake of keeping) the young people in the rural areas. Here I would also see a way of creating more favorable economic conditions for them. If a young family, a young man, has taken on a small holding, he must evidently have greater economic opportunities than, say, a man who has already lived and worked for a while on the land. That is how I see it. I include the young people who are organizing production, let us say, of bricks or some other form of business enterprise associated with the sphere of agriculture or around it, here I would lay down—and I think it will be necessary to do so—once again, the same approaches: The work of a young man, a young family, must be given economic preference. This must be done more effectively, and once again, [words indistinct] these questions, by what criterion to consider that the young zone ends and the zone of maturity begins? All this can be decided [words indistinct] viewpoint, measures in all areas, market relations, more persistently, boldly and efficiently. That is what I wanted to say.

Western Republics

Belorussian Republic's Anticrisis Program

OW0306122491 Moscow INTERFAX in English
1800 GMT 31 May 91

["Point of View" Feature Entitled "Belorussia's Anticrisis Programme: Market Rhetorics and Administrative Practice," from "Business Weekly"]

[Text] Belorussia's government followed the Union and the Russian governments in working out an anti-crisis programme of its own, but a session of the Belorussian

Supreme Soviet dismissed it on the grounds that the programme needs to be worked on. Why was it rejected? What may a new programme be like? And will there be a new programme at all?

Below are comments by chairman of the economic council of Belorussia's United Democratic party Anatoliy Stankevich.

The Belorussia government's anti-crisis programme was an attempt at a compromise between the conservative and the reformist forces in parliament, and the programme was doomed to failure because for some, there was too much market in it while for others, too little.

I want to note first of all that the new retail prices may, I believe, push the republican budget deficit to over 7 bln. rbl., not 5 bln. rbl. as the government estimates.

Nor is it likely that the government's measures can slash 1 bln. rbl. off the deficit.

The following proposals appear sensible and feasible: no money from the budget to projects construction on which has yet been begun: no grants from the budget to any economic bodies; and the introduction throughout the republic of payment for starting construction on new industrial facilities, with up to 30% of their balance-sheet value to be paid from enterprise's own funds.

It would also be a justifiable measure to plan to sell suspended projects, unused production areas and material and technological resources of state enterprises both to juridical persons and to the population.

However, it would be an absurd measure, if the market is to be created, to demand a moratorium on retail price raises of the essentials. The republic cannot meet its requirements on its own and will have to import goods from other regions with, possibly, far higher prices. In this case the government will have to grant subsidies from the republican budget to address the price scissors, if this plan is to be carried out.

In addition, higher prices of mineral fertilizers and agricultural machinery will cause the number of collective and state farms requiring subsidies to rise roughly 2.5-fold (today some 25% of the collective and state farms are funded from the state budget, and the number is expected to rise to 70% by the end of 1991).

The Belorussian Government urges the development and passage of a package of market laws: concurrently it begins active work to form the fundamentals of the infrastructure of the commodity and money markets, including the establishment of goods and commodities and currency exchanges, broker, dealer, auditor, holding and investment companies, the conversion of specialized into commercial banks, etc.

These are well-wishing plans, but they can provide a programme of action for a market government, not a one largely made up of former republican-level party functionaries.

Inter alia, it was the communist group in belorussian parliament that stonewalled on the governmental republican privatisation programme. One of the belorussian Communist party leaders said outright that communists opposed privatisation unless the state preserves a controlling interest in any privatized enterprise.

In what concerns the foreign economic agenda, the government suggests:

stimulating export activities of Belorussian enterprises, including those funded from own hard currency reserves;

allowing them to keep all their earnings in hard currency from the export of products in excess of the state plan;

forming a republican reserve hard currency fund from deductions of exporting enterprises to import raw materials and derivatives and spare parts;

allowing partly foreign-owned enterprises to act as go-betweens.

I believe these are the ideas the opposition may support unless the government does not insist on a moratorium on price rises.

It is also a sound policy to authorize the Belorussian State Committee for Foreign Economic Ties to allow enterprises to sell and export part of their products in barter deals and to quote and licence foreign economic activities.

But it is absurd for the government to plan to negotiate with foreign governments the floating a \$1 [as received] republican foreign debt. It is common knowledge that such loans are given to sovereign countries having own currency—which Belorussia does not have. In addition, no one in the West intends to finance old economic structures, and the government hopes to use these loans to modernize, for example, collective and state farms.

As for the plans to set up a shareholder commercial bank to fund Belorussia's foreign economic activities, it would be a better policy to liberalize the operation of republican commercial banks by issuing licences for hard currency operations rather than attempt to monopolize this kind of banking operations.

In conclusion, I wish to emphasize that the supporters of market reforms in Belorussia pin high hopes on the success of Grigoriy Yavlinskiy's mission in the USA. If the mission leads to case-specific methods to stabilize the finances, cure the Soviet goods market, restructure the economy and create a population safety net and if the West agrees to support the measures, efforts should be taken to preserve a common economic space in the USSR and give up the development of republican anti-crisis programmes.

Ukraine's Kravchuk Talks With Hungarian President*LD3105120291 Moscow TASS International Service
in Russian 1830 GMT 30 May 91*

[Text] Budapest, 30 May (TASS)—Talks began here today between Hungarian President Arpad Goncz and Leonid Kravchuk, chairman of Ukraine's Supreme Soviet, who has arrived here on an official visit.

During the conversation the head of the Hungarian state spoke in favor of holding political and economic consultations between the Hungarian Republic and the Ukraine on a permanent basis. One of the subjects of these consultations, in his view, can be joint cooperation on questions that are raised at the United Nations.

The Hungarian side expressed interest in closer economic cooperation between regions in eastern Hungary and Soviet Transcarpathia. With the aim of developing mutual trade, A. Goncz proposed creating Hungarian-Ukrainian business firms. He believes that such establishments could be opened in Budapest, Kiev, and Uzhgorod. It would be very useful to set up "special" economic zones in border regions. The president noted also that Hungary would like to resume deliveries of its agrarian produce to the Soviet Union on a barter basis, if other possibilities are not found for this. The Hungarian construction industry also hopes to enter the Soviet market.

A. Goncz called for the elimination of barriers in the area of border trade and the opening of new crossing points on the border. He addressed a request to the Ukrainian authorities to do everything possible to simplify procedures for crossing the border for believers during the visit to Hungary of Pope John Paul II this August.

In his turn L.M. Kravchuk completely supported the idea of further expansion of bilateral economic ties. The head of Ukraine's parliament said there is an absence of obstacles to improving conditions of border trade. During the visit to Hungary by the head of the Catholic Church the Ukrainian authorities will try to simplify procedures for crossing the border for believers. L.M. Kravchuk assured the Hungarian partner that everything will be done for a most rapid opening of a Hungarian consulate in Uzhgorod.

Moldovan Premier Druk's Past Disclosed*91UN1598A Moscow SOVETSKAYA KULTURA
in Russian No 21, 25 May 91 p 2*

[Article by SOVETSKAYA KULTURA correspondent Vadim Letov: "The Prime Minister Had a Secret"]

[Text] Kishinev—A year ago SOVETSKAYA KULTURA reported the appointment of Mircha Druk, a polyglot, political scientist, and dissident, to the post of prime minister of the SSR [Soviet Socialist Republic] of Moldova under the headline "If a Druk Suddenly Turns Out..." A journalistic cliché was at work—playing on the

homophonous name and the words of a popular song. ["If a friend—'drug'—suddenly turns out to be neither friend nor foe, if you cannot figure out right away if he is good or bad"] In Kishinev they asked the author: "What kind of innuendo toward our prime minister is this?" There were no innuendoes. There were hopes.

So, once again in May it came out that Mircha Druk, the favorite of the streets and of the People's Front of Moldova, indeed "suddenly turned out" to be an old KGB informant, or "siguranta" in Moldavian. The new prime minister, who in the 1960's was expelled from the ranks of the CPSU for manifestations of nationalism—just for childish pranks by modern standards—began to structure the policy of his cabinet from the very first days on the basis of frantic anti-Sovietism, seeing the "hand of Moscow" everywhere. On economic issues he distinguished himself by complicity in the shady transactions of cooperator-"internationalists," and in politics by his notorious expeditions against Komrat and Dubossary. The anchor of "Vzglyad" asked him once: "Do you know that people call you Mircha the Bloody?" The surprised prime minister raised his eyebrows: "Really, 'Bloody'?" The disintegration of the republic economy and a drop in production in both rural and urban areas are the result of not only "the echo of Moscow" and "imperial pressure," but also of amateurish economic management in the republic that could have set an example for operations under perestroika.

In short, it appears that M. Druk turned out to be the fifth wheel on the cart of the Moldavian economy and politics. Quite curious information, which is altogether impermissible in the case of the prime minister, came out in a torrent, as if from Pandora's box. Everything was summed up in a facsimile reproduction of the ending of a letter by Mircha Druk, sent by him to Arvid Pelshe 25 years ago: "I was, I am, and will remain a communist." As he petitioned the Party Control Committee for reinstatement in the ranks of the party, Mircha Druk referred to his belief in the bright ideals of communism, and proffered, as evidence of his dedication to the system, his accomplishments in "informing" when he worked for the KGB, where he did "...what I consider serious work." He went on to write in the same memo that "nationalism is closely tied to militarism and imperialism." Further on, the author concluded that, along with the return of the party membership card he, who knows a number of European languages and "has had certain training," would be given an opportunity to make a contribution to the liberation movement in Africa or South America.

At a press conference held by the People's Front of Moldova and the parliamentary group of democrats, the prime minister of the republic said that such publications are "intrigues of Moscow"; however, he did not deny his handwriting reproduced in the newspaper.

Moldovan SSR President M. Snegur withdrew his support for the candidacy of M. Druk for the position of prime minister. Two days earlier he himself had

endorsed M. Druk for this position, and perceived the rashness of this trust in the course of the session. The parliament gave M. Druk a vote of no confidence (207 votes out of 218 people voting). The Club of Democrats, uniting deputies of the People's Front, did not take part in this vote, and undertook a demarche—action in the street against the police guarding the parliament. One policeman was seriously wounded. One day earlier 36 policemen were wounded during similar disturbances. The parliament resolved to set up a commission to investigate the reasons for which these confrontations occurred and to find the organizers. However, the latter are in full view—the deputies themselves, those who opposed parliamentary decisions, and this time around were armed with knives and sticks, quite literally with knives hidden in their bosoms.

At the morning meeting on 23 May the decision was made by a majority vote to rename the SSR of Moldova. I am writing this combination of words officially for the last time. We will have to get used to another combination—Republic of Moldova. Accordingly, the name the Moldova SSR Supreme Soviet is becoming a thing of the past. The name "Republic of Moldova Parliament" was adopted. The issue of dissolving local soviets, and subsequently of the independence of the Republic of Moldova as an international unit, is being clearly put on the agenda.

Caucasus

Georgian President Assails Moscow on Armenia

LD0306195491 Moscow Radio Rossii Network
in Russian 1900 GMT 3 Jun 91

[Text] Georgia, which two months ago declared its independence from the Soviet Union, has announced its willingness to act as an intermediary in the conflict between Armenia and Azerbaijan. Georgian President Zviad Gamsakhurdia has proposed that talks be held between the two sides in Tbilisi. In a radio address he accused the Soviet authorities of trying to pursue the policy of divide and rule by whipping up the ethnic conflict along the border between Armenia and Azerbaijan.

Leader Wants Peace Between Armenians and Azeris

AU3105153191 Tbilisi Radio Tbilisi Network
in Russian 1345 GMT 31 May 91

[Text] Today, the editorial board received a telex with a statement by Zviad Gamsakhurdia, president of the Republic of Georgia. It reads as follows:

The leadership of the Republic of Georgia expresses its concern in connection with the situation that has taken shape lately in the border regions between Armenia and Azerbaijan and in the Nagorno-Karabakh Autonomous Region. The leadership of the Republic of Georgia, on behalf of the entire Georgian people, expresses its condolences to relatives and friends of the victims. Blood of innocent people is being shed. Human rights are being

violated. Unfortunately, a trend has recently developed toward instigating similar conflict situations in other Transcaucasian areas as well.

The leadership of the Republic of Georgia is deeply convinced that the conflict between the two neighboring peoples has been instigated by the Kremlin, which is acting in accordance with the notorious 'divide and rule' principle. The rulers of the Soviet Union are skillfully kindling interethnic conflicts in the Transcaucasus in order to be able later—with the help of Soviet Army units and internal troops and, allegedly, with the purpose of protecting civilians—to carry out punitive operations against individual republics and nations. Such punitive operations have already been carried out by the Kremlin [(words indistinct)] against the Transcaucasian peoples, and there is a danger that in the future too it will not hesitate to shed the blood of peace-loving peoples.

The leadership of the Republic of Georgia is convinced that there are no issues that cannot be resolved by peaceful negotiations. It is necessary for the opposing sides to realize in time that the creation of a stable situation in the Transcaucasus will largely contribute to the achievement by the republics of genuine sovereignty; this will, in turn, promote the development of democracy and scrupulous observance of human rights in the entire region.

The leadership of the Republic of Georgia calls upon the opposing sides to stop all use of force and to start negotiations in order to settle the conflict situations in the Transcaucasus by peaceful means.

On its part, the leadership of the Republic of Georgia expresses its readiness to mediate in the cause of peaceful negotiations between the neighboring republics and proposes to organize in Tbilisi, in the near future, a high-level meeting between representatives of the Transcaucasian republics.

Ter-Petrosyan Not To Attend Union Treaty Talks

LD0206141291 Moscow Radio Rossii Network
in Russian 1100 GMT 2 Jun 91

[Text] The Supreme Soviet of Armenia has adopted a decision on the inexpediency of Levon Ter-Petrosyan, head of the Armenian parliament, participating in the Union Treaty meetings in Novo-Ogarevo [set for 6 June].

Armenian CP Central Committee Plenum Begins

LD0106203791 Moscow All-Union Radio First Program
Radio-1 Network in Russian 1600 GMT 1 Jun 91

[Text] The Armenian Communist Party Central Committee started its plenum in Yerevan today. Having discussed the results of the talks which took place at the CPSU Central Committee between delegations of Central Committees of the Communist Parties of Armenia and Azerbaijan, and their meeting with Mikhail Sergeyevich Gorbachev, the participants in the plenum

took cognizance of the report of the Armenian delegation. In connection with the upcoming talks with representatives of the Armenian Government on the nationalization of property belonging to the republic's Communist Party, the participants in the plenum stressed the need for exclusively political approaches toward the settlement of disputed issues.

The plenum discussed an organizational issue. Today, as at the previous plenum, those present rejected a proposal to enlarge the Central Committee Bureau and to entrust it with a collective leadership of the republic's Party organization. The plenum started to put forward candidates. After a refusal by a candidate to accept nomination which was approved by the plenum, four persons remained on the list of candidates.

Pogosyan, member of the CPSU Central Committee politburo, took part in the work of the plenum.

Sarkisyan Elected Armenian CP First Secretary

LD0106195791 Moscow Central Television First Program Network in Russian 1800 GMT 1 Jun 91

[From the "Vremya" newscast]

[Text] The Armenian Communist Party Central Committee plenum started in Yerevan today. The plenum has elected [Fadey Tachatovich] Sarkisyan, who formerly worked as a secretary of the Armenian Communist Party Central Committee, as first secretary of the Armenian Communist Party Central Committee.

Explosive Damages Azerbaijan KGB Building

LD0306144691 Moscow TASS International Service in Russian 1403 GMT 3 Jun 91

[By unidentified AZERINFORM-TASS correspondent]

[Text] Baku, 3 Jun (AZERINFORM-TASS)—An explosive fragmentation device was thrown into the premises of the Martuninskiy rayon department of the Azerbaijan KGB at 0540 today. By fortunate chance, no one was injured, but the department's premises suffered material damage.

Nagorno-Karabakh Seeks Talks With Azerbaijan

LD0306170291 Moscow TASS in English 1634 GMT 3 Jun 91

[By correspondent Vadim Byrkin]

[Text] Stepanakert June 3 TASS—Readiness to hold talks with the leadership of the Azerbaijani Republic, attended by representatives of the USSR Supreme Soviet, was expressed by chairmen of district, city and regional governing councils, chiefs of Communist Party regional committees, trade union leaders and USSR people's deputies from Nagorno-Karabakh.

A telegram, sent today to Soviet President Mikhail Gorbachev, chairman of the USSR Supreme Council Anatoliy Lukyanov and president of Azerbaijan Ayaz Mutalibov (the first telegram sent to the Azerbaijan leader over three years of the conflict), also demands that "the bloodshed, plundering and deportations be immediately stopped, illegally detained people set free, and urgent measures taken to return deported Armenians."

Although the situation in Nagorno-Karabakh remains complex, it is a welcome sign that the initiative of leaders to start dialogue is complemented at local level by people's diplomacy: authoritative representatives of Armenian and Azerbaijani population form conciliatory commissions. Although it is too early to say if this step will lead to the much-coveted peace, it is widely regarded as an obstacle to the further spread of the bloodshed.

Over the past week alone, the death toll in the region where emergency has been announced rose by 10 people.

Shots, Deportations Reported in Nagorno-Karabakh

LD0306190691 Moscow TASS in English 1840 GMT 3 Jun 91

[By correspondent V. Byrkin]

[Text] Stepanakert June 3 TASS—Armenian villages in the Gadrut region of the Nagorno-Karabakh Autonomous Region were fired upon from civilian helicopters on Sunday, and Soviet Interior Ministry troops in some villages were replaced by Azerbaijani militia.

Representatives of the commandant's office of the area under state of emergency and leaders of Gadrut completed an air inspection of the region.

They found that two settlements were completely abandoned and six motor vehicles with Azerbaijanis arrived in the Armenian village Dolanlar from the neighbouring Dzhebrail region to settle down there. Two Armenians, one of them wounded, were taken hostage.

USSR people's deputies from Nagorno-Karabakh sent a telegram to the country's leadership demanding an end to "the new stage of deportation from Armenian villages in the Gadrut region of Nagorno-Karabakh".

Update on Situation in South Ossetia

LD0206163491 Moscow TASS in English 1624 GMT 2 Jun 91

[By correspondent Valeriy Shanayev]

[Text] Vladikavkaz June 2 TASS—A trend for the stabilisation of the situation has emerged in South Ossetia.

Shootouts of gunmen with the local population and armed clashes of opposing sides have stopped in Tskhinvali suburbs and Dzhava district, where the state of emergency is in force, as well as in the villages of the Tskhinvali, Znauri and Leningori districts.

Regular deliveries of food, medicine, fuel and building materials were established to Tskhinvali and Dzhava district with assistance from All-Union interior troops. Supplies are pouring in mostly from the Russian Federation.

Of 2,500 tonnes of humanitarian aid, over 800 tonnes have been already shipped to South Ossetia from Vladikavkaz.

The electricity supply was resumed to Tskhinvali from Georgia's united power grid, but water and gas are supplied with great hitches.

The economic situation in the South-Ossetian region is difficult. Industrial enterprises, building organisations and the railway station are at a standstill.

According to information from the North-Ossetian Interior Ministry, law enforcement bodies began to operate in Tskhinvali. Their officers, together with All-Union interior troops, patrol the city and participate in escorting lorry convoys with humanitarian aid.

A government commission of the Russian Federation ended its work in South Ossetia. It specified data on victims and damage inflicted by the recent devastating earthquake.

According to its findings, 55 people were killed in South Ossetia and 3,027 houses destroyed. More than 1,600 houses of the total were destroyed completely. All 720 houses in the Dzhava district centre were flattened.

These days building engineers, architects and seismologists from various areas of the Soviet Union, together with specialists from North-Ossetian design offices, are discussing how to restore the village of Dzhava, taking into account the fact that this area is quake-prone.

The emergency committee of the North-Ossetian Parliament held a meeting in Vladikavkaz on June 2. The republican leaders focused on refugees from South Ossetia and other areas of the Georgian republic.

North-Ossetian Prime Minister Sergey Khetagurov said that over 30,000 refugees were registered in Vladikavkaz. North Ossetia has exhausted its possibilities to find lodgings for them.

But the influx of refugees is growing with every day. There were cases when refugees seized land and houses in some villages.

On the other hand, there are now adequate conditions for the return of refugees home, since the situation in South Ossetia is return to normal.

The emergency committee of the North-Ossetian Parliament sent a message to the Soviet president, suggesting measures to settle the problem of refugees from South Ossetia and other areas of Georgia. The key measure is immediate talks between the country's leadership and the Georgian Parliament.

Central Asia

PRAVDA Reports Gorbachev Alma-Ata Speech

PM0406090991 Moscow PRAVDA in Russian
1 Jun 91 Second Edition pp 1-2

[Unattributed report: "Time Demands Mutual Understanding and Coordinated Actions. Speech by M.S. Gorbachev at 30 May Republic Aktiv Meeting in Alma-Ata"]

[Text] I have long been planning to visit Kazakhstan again. All the meetings held here over the past three days and our thorough talks with Comrade Nazarbayev were very important both for your republic and for the Union. The time now requires great coordination of action and mutual understanding from all of us. The country has reached the brink of abrupt changes—change in economic and political forms of life, and reform of our multinational state.

Naturally, the people of Kazakhstan, just like everyone else, are concerned about these great problems and the fate of our country. But, you know, I have felt particular satisfaction over the past few days at the fact that people here are not only advocating the perestroika policy and the search for more effective ways of achieving its goals within the framework of the socialist choice, but are also doing a great deal for it in practice. Kazakhstan is working. This also distinguishes the republic's party organization as an inalienable living component of the people of Kazakhstan. This is a very important feature. And this is the starting point of my speech today, because, generally speaking, the time of rallies, demonstrations, endless debates, and ultimatums is over. Many things have become clear. We now need to enter this new life and assimilate its new forms in practice.

Those who demand that everything be spelled out in advance point by point to show us just what should be done and how, or that all the consequences of every specific step of reform should be predicted, are essentially opponents of reform and opponents of the perestroika policy. Since nobody—no academy—will spell things out society must find the answer. And each society, as it approaches the stage of profound changes, plays its own tune, so to speak, using other peoples' experience—but always in their own real context. Tradition and the actual level of development are important here, not just economic, social, scientific, and technical development, but also cultural development—in the sense of general culture and political culture.

That is why I welcome this lively approach taken by Kazakhstan people—an approach which includes thought, questing, and lively concrete work to implement the tasks of perestroika in practice. The social atmosphere in the republic has made a good impression on me. Everywhere people have been talking about serious matters. About the Union, reforms, consensus, interethnic problems, and, of course, local issues, which make up the specifics in this area. But the main thing is

that most people are of a mind to work. I found this most gratifying. And, in general, there were fewer of the "parasitical" motives which were to some extent voiced at the meeting today. I am thinking of the idea that somebody should come from above and "create" everything. Such sentiments were in evidence too. But more often nowadays people are demanding just one thing from the republic and Union leadership—that they create the legal and economic prerequisites to ensure that people themselves can advance new approaches.

People are in favor of perestroika and of ensuring that the reforms and the renewal process are implemented consistently and more resolutely.

I am impressed by the high and healthy political activeness of many Kazakhstan people. This activeness is not a question of who speaks more attractively or scathingly, especially if top state and party figures are being criticized. No. It is the kind of activeness which we have been awaiting for so long. We wanted to encourage it through political reform, glasnost, democracy, and economic freedom. I can see that it has arrived in this land. People are judging big-time politics realistically, preserving their own worth and respecting the worth of others. In this respect I was greatly impressed by my discussions with leaseholders in Kokchetav and later in Chimkent. The dialogue was on an equal footing. People's responsibility and their understanding of the future have grown strikingly.

The leaseholders' team leader and his comrades, unambiguously advocating leasing, are starting to think about how to buy means of production in order to ensure that they become "really ours," "mine," the property of the entire collective. They are also thinking about today, and about how to renew capital in order to achieve new results and acquire new technologies—that is, their thinking is of statewide importance.

What is interesting is that when, having bought some means of production, they discussed in their leasehold team whether to divide up this property between them, they all resolutely opposed it, saying that our common property will be collective. Let it represent the private interest of our collective.

Needless to say, I do not mean that I have been touring a republic where there are no problems. On the contrary, there are plenty of problems, like there are everywhere. But it is gratifying that people's thoughts are geared to how to solve these problems. Both today's and, particularly, tomorrow's. This is very important and it is what I would particularly like to note.

I would like to actively support the extensive land reform being implemented in the republic—it is already producing results.

It is good that you are encouraging individual housing construction. Admittedly, a lot of problems cropped up straightaway. People are prepared to invest their funds and efforts, but neither the republic nor the country as a

whole have sufficient opportunities as yet. We need to create the material and technical base for individual housing construction. There are already brick plants on many farms. We need to support this. A great deal can and must be done locally. People at all levels need to think about how to do this quicker and better. When this happens people will feel quite different. First, the resolution of the housing question will be easier. Second, it will also solve the problem of cadre retention in the countryside.

We saw a dacha settlement near Chimkent. In the past two years some 20,000 dachas have been built. People are starting to grow food on this land. Everyone is busy, whole families are working. That is real people's initiative. And I want to give due recognition to the republic and oblast leaders and to economic leaders for not just welcoming this people's initiative but helping to implement it in practice. This too is very important. After all, we have many people who love saying that we lack this and that, but sit there doing nothing. As is well known—nothing ventured, nothing gained.

During the meetings many specific and direct political, economic, and social issues were raised. This provides food for thought at the level of the country's leadership, within the framework of the Federation Council.

And perhaps the chief impression is that Kazakhstan is cohesive, people of all nationalities stand together, alongside each other. Here is a symbolic detail: We were walking down the street when it started raining, and I saw people of three or four nationalities sheltering under the same umbrella. They felt good together under that big umbrella in the bad weather. That is what Kazakhstan is like.

Today we visited a factory, and people there were working together harmoniously, although it was very difficult. During this time I thought about politics and politicians, about extremists of all kinds who are trying to exploit glasnost and democracy for their own ends in order to blatantly burglarize our emergent, renewed common home and destroy it, without balking even at splitting up whole families. Things will be really terrible if we allow this to happen.

Here I felt a reserve of internationalism and—I am not scared of the word—a reserve of unaffected, natural friendship. These concepts are of real importance, they have not lost their real human meaning. I value this very highly, I have seen it with my own eyes and felt it in my heart.

Of course, people are very worried about what is happening in the country, and a great concern about this was evident here.

I would like to broadly dwell on this point.

The situation in the country recently has undergone notable changes literally before our very eyes. It is impossible not to have noticed these changes. The spring

of 1991 brought very serious complications in the situation. During March and April the country essentially found itself on the brink of social upheaval. And we all sensed that. It seems to me that this is realized by society, which has brought into play the most deep-seated self-preservation mechanisms—itsself, the family, the land, the country, the state. And this suggested the way out of the crisis.

The first glimmerings of political consensus among the main social forces and of a realization that further confrontation would not be supported by the overwhelming majority of Soviet people probably also appeared this spring. Soviet people do not accept confrontation. Even though there are extremists on both "left" and "right." They are closing ranks. You can see them, you know them. I do not even have to list them, they no longer make any secret of it. They speak at sessions, at various meetings, on radio and TV, and at Central Committee plenums. But, I repeat, the overwhelming majority of Soviet people do not accept excessive self-assurance and a confrontational attitude.

Now that a solution to political discord is in the offing, what is worrying above all is the continuing economic slump. The slump has affected base sectors, light industry, and the services sphere.

Of course, a great deal of what is happening can be explained by mistakes in politics and in practical work, by the confrontation between regions, by attempts to get out of the crisis in isolation, by barriers between republics and oblasts, and by wildcat local barter. We have to largely admit our responsibility for all this.

But we should not create illusions or deceive people. After all, such alterations, such reforms, and such profound changes—relating to our way of life and affecting property, production relations, and people's position—have never passed off painlessly or easily anywhere in the world. Never.

But if we abandon transformations, come to a halt, or try to turn back, this would be the greatest mistake, the greatest blunder. We could then find ourselves left on the margins of the development of modern civilization.

And we should not look for enemies or plotters everywhere. At the very least it would be naive to try to solve our problems with a stream of resolutions, as was the case recently on the eve of the [Kazakh] Central Committee plenum. Admittedly, this was a rare occurrence for the Kazakhstan party organization. But many people were clearly caught up in the demands to condemn what virtually amounted to a clique of revisionists, traitors, and so forth. This, you know, is not a polemical struggle, debate, or a quest for the truth. It is like an attempt to brand people and return to the thirties.

Well, is this how we are to live? We must not allow ourselves to become Reds, Whites, Blues, and Blacks once again. People have different opinions and different approaches. This is normal, this is the source of progress.

To suppress independent thought and different ways of thinking is to suppress initiative. It is the way to stifle society. We have already tried that.

Of course, the production slump is having a severe affect on everything and on people's morale. If we do not get a grip on the situation it could prompt masses of people to take to the streets and destroy everything and everyone. That is why we need to reach mutual understanding with the miners and the metal workers, tell them the truth, and reach agreement on a realistic basis, comrades. After all, look at what the miners' strike has led to—we have lost so much metal. Some 5 million tonnes of rolled metal have been lost forever—and what are 5 million tonnes of rolled metal? Just work out how much you need for trucks, tractors, and combines—the acute shortage of which has been discussed in Kokchetav, Chimkent, and all over.

N.A. Nazarbayev: That is Kazakhstan's annual requirement.

M.S. Gorbachev: You know, people are now acutely and justifiably talking about indexation and social protection. But if plants are not working and if people are deprived of any opportunity to work and earn a living, there can be no question of any social protection. The most effective social protection is to allow people to work, to show initiative, and to use powerful incentives for good work. That is the prime basis of our current social protection.

In April we switched to new retail prices. These prices had not changed in decades, some of them had not changed since the war. This was necessary. Even though it was painful and difficult for society, despite the entire range of measures taken to ease the difficulties for the most socially vulnerable population groups. The situation here has largely been saved by our people's restraint. But it is precisely because people have a hard life and are deprived that we must not delay the transitional period. We must move forward more quickly. The situation is complicated by interethnic conflicts. Well-known political forces have been trying to exploit the acuteness of the situation in order to prompt a considerable proportion of the population to essentially engage in unconstitutional actions against legitimate Union organs of power.

And in this tense situation it has become clear to many people that we need to turn our backs on confrontation and look to cooperation among all social forces. That was the appeal voiced 9 April at the Federation Council session. This idea also imbued the 23 April statement by the USSR president and the leaders of nine union republics. This was a very major political event, which was a turning point away from confrontation toward cooperation among all forces with an interest in getting the country out of the crisis.

I cannot ignore the fact that this statement did not please everyone. This fact must be seen, comrades, so as to take a clear stand. Both from the extreme left and the extreme

right accusations have begun being leveled at the participants in the April meeting. I consider long discussions on this score inappropriate; that would be like justification. And why should I and the other comrades who were there justify ourselves for the fact that at this very acute moment in society's development we took a clear and honest stand and proclaimed it to everyone without political chicanery? Indeed, to whom should we make this explanation? Those who want to destroy everything that we are doing, those who operate according to the principle "the worse things are the better it is"?

It is necessary to use the opportunity which has arisen to consolidate society and achieve social accord. This transcends all personal and political, religious, or philosophical preferences and affiliations.

In the 23 April Statement society, I think, saw in specific terms an opportunity to improve the situation. The majority of the country's sensible citizens supported this statement.

We now have the USSR Cabinet of Ministers and republic governments joint action program for extricating the country's economy from crisis in conditions of the transition to the market. It is important, comrades, that this program is a joint one. When I left the document still had not been signed by the Russian leadership, but I hope that it will be. In the present situation you may expect that those documents expressing a common, coordinated position will work. There is no other mechanism capable of safeguarding the work of all in a single key and single approaches, cooperating and supporting one another.

The brunt of the work to implement the anticrisis measures will be borne in 1991. It is particularly important to halt the further spread of the disintegration of economic ties and decline in production.

Tremendous work has now been done in mining collectives. As Comrade Shchadov has told me, miners, cooperating with Comrade Doguzhiyev, who is now responsible for those questions in the Cabinet of Ministers, favored the restoration of production ties and the entire production process and its normalization. Given that the government is going to resolve a number of specific questions the miners already see an opportunity of achieving the annual coal mining plan.

Metal workers are now working on ways of achieving the level we planned this year although the losses can no longer be made good. Oil workers are also working with Comrade Velichko for the same purpose. Oil workers are hopeful, too. This is all major work, comrades, because it will also affect the power industry and other sectors.

While implementing what has been planned with regard to base sectors, we must create incentives for all the other sectors, especially those connected with consumer goods production. That is envisaged in the anticrisis program. While continuing a tough policy in the financial sphere,

it is necessary to simultaneously give production collectives an opportunity for growth.

Here, as in other spheres, the urgent topic of cultivating and harvesting crops has been raised. Despite all the difficulties, agriculture has been given as much as possible in the present tense situation. The spring work is largely up to scratch except in those regions where there has been damage due to the weather, as in Uzbekistan, or where the warm and wet weather was later than usual. The main preparatory work for the harvest has been done. The task today is to prepare for the harvest and utilize the full potential of our cities and all our industry. All measures—economic and administrative—are needed here.

Two days ago in front of leaseholders, Nursultan Abishovich and I shook hands on our mutual commitments—you meet your grain deliveries honestly and we will help in gathering the harvest. I think that this is a good deal. On returning to Moscow I will give instructions to involve your republic in working out what else can and must be done to achieve that. And of course not only with regard to your republic.

The theme of promoting the reforms in industry and throughout the economy has been heard at our meetings. In this regard the problem of denationalization and privatization was acute. We favor the development of various forms of ownership, including private ownership.

Hence the conclusion that the formula of denationalization as the complete replacement of social ownership by private ownership is not appropriate to us. We must move toward a mixed economy.

Unless we reform ownership relations, unless we change production relations and the position of people in production, we will not be able to make interest and incentives to labor function at all properly. Thus we must not abandon denationalization but on the contrary must proceed more boldly along this path. On one condition, which is that our people's gravest fears must not be realized and the property created by whole generations must not fall into the hands of crooks. But this is already a question of legislation. That is how it must be. I think that the legislative institutions and the public will examine all this thoroughly and comprehensively. This is an issue which affects all the people and every labor collective, it simply must not be imposed from above. Our society itself must adopt this. I know that work in this area is going on in your republic and in others. The second reading of the draft law is beginning at the USSR Supreme Soviet. Comrade Pavlov is delivering a report on this question. I am sure that we will find the correct solution to the question of denationalization and privatization so as to offer people opportunities to show economic initiative, dynamism, creativeness, and enterprise.

Recently I attended the congress of leaseholders. They number over 11 million now, and it is not only small

stores and small enterprises that are being leased. The Kama Truck Plant is now being leased.

Many of those who have embarked on leasing have already become completely different people; they think and act quite differently. While production in industry fell 5 percent in the first four months of the year, leaseholders increased production by 1.5 percent. Thus there is a discrepancy of 6.5 percent between the economic results of lease collectives and all the rest of industry. Furthermore, it is mainly the worst, the weakest enterprises that are being leased. But people's interests have begun to operate.

I would like to support the intelligent, validated, and energetic approach of the Kazakh leadership toward the renewal of economic forms. In this regard you can count on the understanding, cooperation, and support of the Union organs. Approaches greatly coincide here. And it is important that such a large and influential republic has joined so actively in these crucial processes of renewal.

I should like to briefly dwell on another fundamental question on which there is much debate. Some people are trying to present our foreign policy activity as a strategic defeat. I do not usually discuss these uninformed opinions. Everything of a principled nature that has been done in our foreign policy was part of the new thinking. Major agreements in the international sphere were reached on the basis of thorough work involving the best people connected with the conduct of foreign policy.

When people ask why the president is so preoccupied with this foreign policy, this is surely because the newspapers write about it and the radio and television report on it. But when I meet with Comrade Nazarbayev, the leaders of other republics, our scientists, economic leaders, peasants, workers, cultural figures, teachers, and leaseholders, there is very little or no coverage at all, except for major meetings and conferences. Yet I have such meetings virtually every day. Domestic affairs form the bulk of the work of the president and the Cabinet of Ministers. All our time and efforts are devoted to them, comrades, including when we ought to be working on foreign policy. There must be no slackening of attention to this area now when we have embarked on profound reforms. We need favorable international conditions. On the basis of our new defense doctrine we must take the path of further sensible disarmament and involve other countries in this process. By rationally reducing our military spending we can more rapidly direct our economy, which is overburdened with military matters, toward people. That is where the best funds, the best cadres, and the best scientists are. And that is where tremendous prospects are opening up through conversion.

Now when we are directly entering the phase of decisive changes we must synchronize our steps in radicalizing the economic reform and cooperating with foreign countries.

In this connection I have suggested sharing my ideas on this score with the representatives of the "G7." You have noted how this process is not developing uniformly. Nevertheless, I think that there is more positive than negative in it. Of course, perestroika is our cause, our main concern, our main problems, our composure. The responsibility rests first and foremost on us.

But I must say bluntly that matters will progress more successfully if we enter into more effective cooperation with the economically developed countries. For this we need to create the preconditions that would interest foreign capital.

From the meetings on Kazakh soil I have drawn the profound conviction that people understand that there will not be accord and peace in our land, all the territories of the country, the republics, and regions if we are slow, if we delay, or if we allow someone to torpedo the process of reforming our multinational state. Comrade Nazarbayev and I have discussed this a lot these past few days and indeed nights.

I have to say that I heard many direct and searching questions from the most varied people: Why at the level of the Union and a number of other republics are they not showing the same responsibility for the solution of this task, which is fundamental to our multinational state, as they are clearly doing in Kazakhstan? I do not think that is true and I shall cite the results of the 17 March referendum as evidence. Despite all the obstacles, our people went to the referendum and clearly advocated the preservation of the Union and at the same time its renewal and a living democratic federation of sovereign republics. That is the will of the people, which no one has the right to ignore. And those who would like to avoid this question by maneuvering and drawing us into a discussion of it will have to say openly and plainly whether they are for the Union or not and how they see this Union. They must answer.

I think that we have now reached a very responsible stage which in the very near future promises movement toward the conclusion of a new Union Treaty. The preparatory committee has begun work. As the report on its meeting said, it will submit a coordinated draft Union Treaty in June for the approval of the union republics' supreme soviets.

Today someone in Alma-Ata expressed the wish that during the preparation and conclusion of the Union Treaty a formula be used which is current among the people: Strong republics and a strong center. I answered him that I support this formula. While avoiding one extreme—the unitary character of our state, when republics were not given the opportunity to resolve those problems which they are now resolving themselves—we must not go to the other extreme and turn the Union into something amorphous and nonviable. That will be disaster. No less a disaster than that to which the unitary character of the state led. Why? Because in 1,000 years in one instance, 200-300 in another, and 50 in a third,

realities formed whose healthy development requires a vital, real federation and not some kind of community, association, or confederation. There must be a new union state capable of defending, protecting, and realizing the common interests of all the republics, all the peoples, and citizens of all nationalities no matter where they live.

Compartmentalizing people on ethnic grounds, arguing and fighting over interethnic borders—this would be ruinous for everyone. Furthermore, this would cost our entire civilization dear.

Those people who think that they can remain aloof from all this are wrong. The redrawing of boundaries, the movement of people and the peoples, the disintegration of the state—who needs it? At the referendum the people supported the preservation of the Union. The international public and responsible politicians abroad want the Soviet Union to be one of the main bulwarks of peace and stability on earth. So who needs anything else?

I welcome the precise and clear position of the republic's leadership, of Comrade Nazarbayev, and of all Kazakhs, who advocate the building of a new Union and a renewed federation. All Kazakhstan is a cornerstone of the preservation and renewal of the Union.

During the meetings and conversations the question arose of the party's activity in the context of the present real situation. The processes of perestroika and the reform of the party itself are proving painful. That is affecting many things. But I think that the party must preserve all its best elements and resolutely discard the negative elements which have been introduced in its character, activity, and appearance by the command and administration system. We must see this process through to the end, comrades, and revive the party in the same way that all society, our Union, and all the peoples are being revived.

The party is one of the most important political institutions. I personally feel tremendous responsibility for those difficult processes taking place in it. What are we to do? We must follow the course of the 28th congress and be guided by that course. The forces which spoke out against adopting its decisions have not given up. They are again trying to use all sorts of initiative forums and anything they can find to revise the questions which have been resolved and aggravate them. And thereby strike at the party itself. At a time when the party needs to work together with the people to resolve tasks of tremendous historic significance it is being embroiled in an internal discussion and, to be blunt, in self-destruction.

When I raised the question of resigning from the post of general secretary of the CPSU Central Committee, this was because I cannot agree with those tendencies within the party which want to turn us back.

Especially since we are now working on the CPSU program in accordance with the 28th congress decisions. The Program Commission has been created and is at

work, the first version of the draft program has been discussed in the course of its business and has been subjected to serious analysis and criticism. Many comments have been made and before coming here to Kazakhstan I sent the members of the program commission a new version of the draft.

The new program is a basis on which the party will finally come to a decision. And those who cannot accept this program should decide what they must do. I think this will be a progressive program within the framework of a socialist choice.

I take an optimistic view of the work of reforming the party despite all its difficulties. The greatest victory would be to achieve the cohesion and unity of the party and avoid its split on the basis of the new program. Because otherwise this would be a gift to those who want to harm not only the CPSU but the entire policy of perestroika. That is my brief reply on this major question.

There are very many things I wanted to say to you, comrades. I have tried to focus on the main things, taking to heart all that I have seen these past few days and everything that has been said here having put aside my preliminary ideas.

I am hoping for your support in this work and your cooperation, comrades. We have a high level of mutual understanding and I think that it will not diminish but on the contrary will grow. I wish you all success and hold fast, as they say.

President Gorbachev's Kazakhstan Visit Appraised

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[Report by PRAVDA special correspondents G. Dildyayev, T. Yesilbayev, A. Nikitin, and V. Ryzhkov: "M.S. Gorbachev: 'I Came to Kazakhstan To Get Warm'"]

[Excerpts] Kazakh Soviet Socialist Republic—These words uttered by Mikhail Sergeyevich as he stepped onto Kazakhstan soil went round the republic in an instant. The "steppe telephone," reinforced by the electronic press, delivered to people not only the words, but also the sense of what he had said. They heard right: Not only the hot, summer sun, after a still chilly Moscow, was meant.

Let us emphasize that M.S. Gorbachev's trip to Kazakhstan was not "leave," by any means. On the virgin land farms and Chimkent leaseholdings they talked respectfully and amicably with the president, but also exactly and often critically. The president was animated and constructive. That was also the tone of the conversation yesterday, when, after the wreath-laying at the monument to V.I. Lenin in Alma-Ata, Mikhail Sergeyevich mixed with the citizens. [passage omitted]

Let us return to the record of the visit. Yesterday M.S. Gorbachev and the officials accompanying him went to the Alma-Ata cotton combine. [passage omitted]

On the same day there was a meeting of the republican aktiv in Alma-Ata. M.S. Gorbachev made a speech at it and answered numerous questions. The official materials will be published. We, however, would like to share some of our impressions, created by the speeches at the meeting.

We have had occasion to write, on more than one occasion, about the fact that Kazakhstan is painted in quiet colors on the country's political map. This, incidentally, prompted the left-wing radical press to exercise its wit: The republic is vegetating at the temperature of a political semicorpse; therefore, it is doomed to permanent stagnation. Where is it all going? It used to be "hot" in Kazakhstan too. Remember that it was here, in Alma-Ata, back in December 1986, that the first mass disturbances and rallying passions in the country's new history flared up. It was an alarm signal, a tough lesson for everyone. It was Kazakhstan itself that learned it better than anyone else. Maybe that is why it is passing through the stretch of reefs in the sea of changes with the least damage.

The allegedly "stagnant" republic has adopted what are for today the boldest and most progressive laws, providing for market relations. One need look no further than the law on foreign investments, which has been operating since the beginning of the year. Incidentally, the latest session of the republic's Supreme Soviet begins in a few days' time. It will examine and, no doubt, adopt laws on the transformation of state ownership, on joint-stock companies, exchange of securities, stock exchange, and others that supplement the legal foundation of the market.

The Communist Party's positions in Kazakhstan are strong, although, of course, they were bound to be affected by the crisis phenomena that are typical of the CPSU as a whole. Party organizations and committees that help people to endure the difficulties of the transition to market relations, lessen the impact of the price

rises, and learn to live and work in the new conditions are managing to maintain their authority.

We are aware that the Kazakhstan prosperity we have described is a relative one, that it is a fragile equilibrium that is difficult to hold. What guarantee can there be that social tension will not grow and spill over? What steps need to be taken to give people relief, to get them to believe in the leadership? It seems to us that they were the questions the country's president was seeking answers to during his trip to Kazakhstan.

Throughout the three days of his working visit M.S. Gorbachev never tired of reiterating words of gratitude to the people of Kazakhstan for their reliability, their loyalty to the policy of perestroika. "The internationalism that united people on this soil is a fine support for the Union," the president stressed.

More than once during the meetings on Kazakhstan soil, one remembered the well-known "statement by the 10" and its consolidating force. The people of Kazakhstan are well disposed toward it. At a recent press conference pegged to the publication of the book "Nursultan Nazarbayev: No Right Wing and No Left Wing" ["Nursultan Nazarbayev: bez pravyykh i levyykh"], the Kazakhstan president was asked how national accord was achieved in the republic. His answer was as follows: "How did the confrontation begin in other republics? It began with the adoption of laws on the state language. The Kazakhstan legislature bore this in mind when it adopted the perestroika laws. In our laws you will not find a single word that infringes the honor, dignity, and rights or any nationality. It is not only in the laws, but also in the actions of the republican leadership. It is something people can see."

The USSR president met with the leaders of Kazakhstan oblasts.

M.S. Gorbachev will take back with him from Alma-Ata not only good feelings and a steppe suntan, but the knowledge he needs so much of a republic and its people who have made their choice, confident that the assets of real sovereignty can only be increased by the wealth of economic interdependence.

M.S. Gorbachev returned to Moscow that evening.